THE
IDEAL
SCRAP BOOK

CRIME

1931

CRIME

1931

The IDEAL
To Duplicate Order
No. 21
MADE BY
THE J. L. HANSON CO.
CHICAGO

The
Ideal Scrap Book

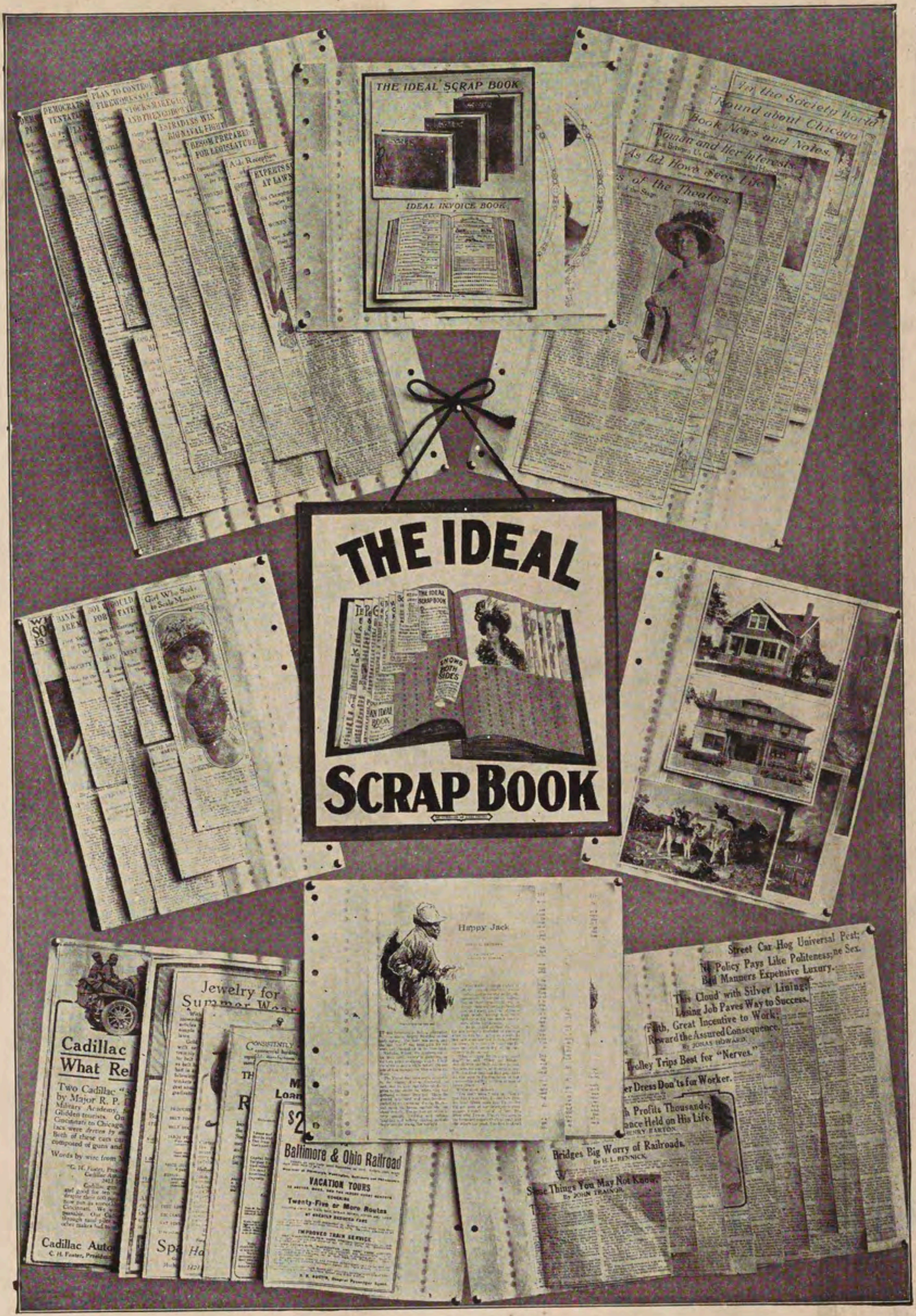
Patented

DIRECTIONS

Moisten the dotted line sufficiently to soften the gum, using a piece of cloth or brush, and moisten only so much of the line as is required.

Press the clipping down firmly by the edge, working from left to right. The first row of clippings on the right hand page should be folded back to make room for the second row, and so on across the page.

When additional leaves are desired, merely mention stock number shown on inside of back cover. Refer to your local dealer.


THE IDEAL SCRAP BOOK
IDEAL INVOICE BOOK
In the Society World
Round about Chicago
Book News and Notes
Woman and Her Interests
As Ned Howe Sees Life
of the Theaters
THE IDEAL
SCRAP BOOK
Happy Jack
Cadillac
What Re
Jewelry for Summer Wear
Baltimore & Ohio Railroad
VACATION TOURS
Twenty-Five or More Routes
Street Car Hog Universal Pest
Policy Pays Like Politeness
Bad Manners Expensive Luxury
This Cloud with Silver Lining
Losing Job Paves Way to Success
Trolley Trips Best for "Nerves."
Dress Don'ts for Worker
Bridges Big Worry of Railroads
Some Things You May Not Know

Reproductions of the leaves of the Ideal Scrap Book giving suggestions for putting on clippings and pictures.

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The judge then cut off the argument and announced he would give his final decision Friday.

CHICAGO ILL AMERICAN
MONDAY, FEBRUARY 16, 1931.

RICH PAIR HINT PLOT IN ARREST

A "mysterious and malicious enmity" was blamed today for the arrest of W. Perkins Bull, K. C., wealthy Canadian, and Mrs. Maybelle Horlick Sidley, heiress to the Horlick malted milk millions, who were detained for questioning and later released by federal narcotic agents.

The government operatives, after grilling Bull and Mrs. Sidley for several hours at the federal building, acknowledged they had no evidence against either of the two.

Attorney John Kehoe, counsel for Bull, was indignant at the treatment accorded his client and Mrs. Sidley, declaring:

"There is a mysterious and malicious enmity behind the arrests. The government men did not discovere a particle of incriminating evidence against Mr. Bull and they were unable to confront him

Continued on Page 2, Column 4.

The petition asks that Bull be enjoined from hiring private detectives to shadow him and asserts he has been so shadowed constantly for three years until he is a victim of nervous disorder. He has sued Bull for $250,000 damages as the consequence of this shadowing.

The hearing will be before Master in Chancery James P. Harrold on next Wednesday. J. J. Harrison, a private detective, is a co-defendant in the suit.

EXPLAIN THEIR CODE.

Bull and Mrs. Sidley explained they used the code in communicating with each other concerning her divorce suit pending against Dr. Sidley, Bull acting as her counselor and adviser in the litigation.

The government's interest in Bull and Mrs. Sidley is said to be concluded.

CHICAGO ILL TRIBUNE
WEDNESDAY, JANUARY 28, 1931.

U. S. INDICTS MALLOY ON CHARGE OF THEFT FROM LOOTED BANK

JOHN E. MALLOY.
[TRIBUNE Photo.]

John E. Malloy, former assistant cashier of the Lawrence Avenue National bank, 3222 Lawrence avenue, was charged with embezzlement in an indictment returned by the federal grand jury yesterday before Judge George A. Carpenter.

The true bill alleges that Malloy conspired with "persons unknown" to embezzle $2,600 of the bank's funds. This was the cash lost in the purported holdup on New Year's day which brought about the closing of the bank by the federal examiners.

Previous estimates of the loss had reached $1,200, in addition to the $70,000 in valuables taken from safety deposit boxes. Assistant United States Attorney Owen A. West said that false entries had been made by Malloy before the alleged holdup but that missing ledger sheets made it impossible to estimate the amount embezzled in this manner.

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CHICAGO ILL AMERICAN

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PROBATION FOR OLIVER HINTED

After a lengthy and hotly contested debate between attorneys, Federal Judge Charles E. Woodward yesterday indicated that he would grant probation to County Assessor Gene Oliver, now under a sentence of eighteen months in the penitentiary and a $12,500 fine.

The probation, however, would be dependent on Oliver's resigning his office, and holding no public office for five years. Judge Woodward reserved his final decision until Friday.

$56,000 INVOLVED.

Oliver was convicted on charges of evading payment of income taxes amounting to $56,000 for the years of 1926, 1927 and 1928.

State Senator James J. Barbour, representing Oliver, denounced the motives of the prosecution, and declared that his client was being "crucified on a cross of political ambitions."

"There is no public demand that this man be sent to the penitentiary and his life ruined," he declared.

CLASHES WITH JUDGE.

First Assistant United States District Attorney Cassius Poust took the floor for the government, and before he had concluded engaged in a hot verbal duel with Judge Woodward. He said:

"Oliver, a public servant, deliberately defrauded the government—cheating with public funds when school teachers, police and firemen were going without their pay."

At this point Judge Woodward broke in:

"Would you consider probation for Mr. Oliver if he resigned his office and held no other public office for five years?"

"No," replied Mr. Poust flatly. "That would be no deterrent to other public officials doing the same thing. The only thing the prosecution will accept is the penitentiary sentence!"

"Remember," said the judge, "you are not dealing with an ordinary hoodlum. The loss of public office will be a terrible disgrace and blow to the defendant."

"FIXED" CASE HINTED.

"The public thinks that any public official can do anything, commit any crime and then 'fix' the case," retorted Mr. Poust hotly.

"Do you suppose they will think that this case has been 'fixed'?" asked Judge Woodward.

"Absolutely!" was the reply.

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Capone Gang's $1,000,000 Profit on Gaming Bared

Men Who Purchase Drinks in Jersey Ordered Arrested

NEW YORK, Nov. 14.—An order for the arrest of all persons found drinking in New Jersey speakeasies and their detention as material witnesses was the answer made today to Dwight W. Morrow's wet pronouncements by Deputy Prohibition Administrator Tutt in Newark.

Tutt's instructions were that those seized could be paroled if able to identify themselves. Otherwise, they will be held in $500 bail.

The issuance of such an order was hailed by bone-dry advocates as certain to be extended to other towns and cities.

THREATENS WITNESSES.

Administrator Tutt threatens to file charges against those who refuse to aid in prosecuting speakeasy owners and bartenders.

"We don't care how many arrests are made under this rule," Tutt

Ex-Employe Tells of Huge Checks to Guzik;

"BIG 4" DIVIDE

Nitti, Next on Trial List, Is Also Accused.

Yesterday's activities in the drive on public enemies follow:

Ruling against James Lynch, who has been seeking abrogation of the gangster control of the teamsters' union.

State's Attorney Swanson orders his aids to investigate bonds scheduled by "professional bondsmen."

Reduction by Judge Joseph B. David of the bond of Claude Maddox from $100,000 to $10,000.

Closing of the prosecution's case against James ("Fur") Sam-

CHICAGO ILL AMERICAN
MONDAY, FEBRUARY 16, 1931.

HIDE FACTS IN DOPE QUIZ

The questioning last week of W. Perkins Bull, K. C., wealthy Canadian and Mrs. Maybelle Horlick Sidley, heiress to the Horlick Malted Milk millions, was the start of an international investigation by narcotic agents, it was reported today from a reliable source.

The utmost secrecy was maintained by the federal officials here, who declared they knew nothing about the case and that it was being handled exclusively from the narcotic division in Washington.

The investigation, it was said, was being carried on by Roy Darling, "ace" of the narcotic headquarters in Washington who was in Chicago for two weeks and has returned to Washington to make a report on his findings here.

KEEP ACTIONS DARK.

So secret was the investigation here that no one connected with the Chicago office was informed of what was going on nor were any of the local agents called upon to assist Darling.

District Attorney George E. Q. Johnson said he had assigned William Froelich, a special agent assigned to his office, to aid Darling, but Froelich was called out of town because of illness in his family and did not take part in the investigation.

Attorney John Kehoe, counsel for Bull, was indignant at the treatment accorded his client and Mrs. Sidley, declaring:

"There is a mysterious and malicious enmity behind the arrests. The government men did not discovere a particle of incriminating evidence against Mr. Bull and they were unable to confront him with any suspicious circumstances or acts of his."

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CHICAGO ILL TIMES
MONDAY, FEBRUARY 16, 1931.

Malted Heiress, King's Pal, Raid Mystery Thickens---and Thickens

Gold Coast Dope Plot Story Hushed by Officials

The DAILY TIMES learned this afternoon that federal narcotic agents made the Bull and Sidley raids. It also learned the couple had been under survellance for some weeks at the instigation of Washington.

One day recently an agent trailed Mrs. Sidley from a train arriving from Canada, to the Lake Shore Drive hotel. She was carrying a package, which, it turned out, contained food. A narcotic agent has gone to Cleveland to investigate there.

Mrs. Sidley, learning her wires were tapped, appealed to Harold T. McCormick for help to stop the espionage. The telephone company found the tappers were narcotic agents.

THE international malted milk and King George V. mystery, emanating from the raids on the Gold Coast abodes of a King's Counsel and a malted milk heiress, today deepened as everybody, from Canadian diplomats and Washington narcotic chiefs down, denied knowing anything about the raids.

The principals in this malted mystery are:

H. Perkins Bull, K. C., (that means king's counsel) the royal billiard companion of his majesty—King George.

Mrs. Maybelle Horlick Sidley, daughter of William H. Horlick of Racine, Wis., the malted milk millionaire.

Raid Gold Coast Flats

Someone raided the suite of Mr. Bull at the Drake hotel. Also, someone raided the apartment of Mrs. Sidley at the Lake Shore dr. hotel. And then—horrors to Horlicks—someone dropped the hint that the raids resulted from an investigation of an international dope smuggling plot.

Denials came fast and thick, as thick as an extra special malted milk. The police said they knew nothing about it. United States Dist. Atty. George E. Q. Johnson said: "It's all news to me. I'll investigate it." It had been printed that Asst. Dist. Atty. Dan Anderson was mixed up in the malted mystery. He denied it, too From Washington came another denial, Harry J. Anslinger, commissioner of narcotics, said that none of his agents had anything to do with the matter.

K. C. Was Quizzed

However, Mr. Anslinger shed some faint rays of light. He said that while there had been no raid on the suite of the king's billiard companion, the aforesaid companion had been called to the U. S. district attorney's office and questioned in the presence of narcotic agents.

Mr. Anslinger said that no narcotic officers from Washington are in Chicago. At about the time he was making such an assertion, certain gentlemen at the narcotic office here stated flatly that one Roy Darling, a Washington narcotic operative, had been operating for three weeks in Chicago on some errand of dark mystery.

Mrs. Sidley's husband is Dr. John Streeter Sidley, who has pending a suit for $250,000 damages against Mr. Bull and a petition for an injunction to restrain Mr. Bull from having him (Dr. Sidley) shadowed by private detectives.

Dr. Sidley said he had no part in the raids or knowledge of them.

CHICAGO ILL RIBUNE
WEDNESDAY, FEBR ARY 18, 1931

1931 12

W. Perkins Bull Hurt in Crash

Mystery Man of U. S. 'Raid' Badly Injured

W. Perkins Bull, millionaire Canadian attorney, and a chief figure in the local divorce suit of Mrs. Maybelle Horlick Sidley, and two other men were injured early yesterday when their automobile, speeding to Detroit on a secret mission, crashed into a stalled motor truck in Allen, Mich., near Coldwater.

Attendants at the Wade Memorial hospital in Coldwater said early this morning that the condition of Mr. Bull, who is 60 years old, was serious, due to a hip fracture, but that he would be removed to Toronto at 9 o'clock. His companions who were hurt are Bernard Magruder, vice president of the Horlick Malted Milk company, of which Mrs. Sidley's father is owner, and Carl F. Moore of Chicago, chauffeur of the wrecked car. Magruder left the hospital at 8 o'clock, suffering from a minor foot injury. Moore was still unconscious from his injuries this morning.

Mystery Surrounds Trip.

Mystery attended the motor trip to Detroit in view of an utterance of Moore during a momentary return to consciousness. According to the chauffeur, he was driving Bull and Magruder to Detroit, and "had to get there or else the federal men would be after them."

Although the accident occurred at daybreak yesterday, word of it was not received here until last night, Mrs. Bull and her sons immediately left their suite in the Drake hotel and departed for Coldwater. Mr. Bull's attorney, and a personal physician accompanied them.

According to Sheriff R. L. Green of Branch county and his deputy, George Miller, the accident appeared unavoidable. The Bull car was traveling up a hill at a high speed and struck the stalled truck.

NARCOTIC RAID A FIASCO.

The mystery of the detention by narcotic agents of Mr. Bull and Mrs. Mabelle Horlick Sidley last Saturday simmered down yesterday to speculation as to the identity of those who took the federal sleuths on a snipe hunting expedition.

Following the secret inquisition in the Transportation building Friday night and Saturday morning, Assistant United States Attorney Daniel Anderson and the narcotic operatives admitted they had found no evidence to justify their suspicions of an illicit traffic. Mr. Anderson went so far yesterday as to declare:

"I am convinced that this whole thing was a blunder on the part of the government."

Who Inspired the Raid.

This suggested that some person or persons with a motive best known to themselves had inspired the raid on the gold coast apartments and the questioning of Mr. Bull and Mrs. Sidley, and a canvass of the various branches of the government disclosed that such was the case.

Mr. Bull, whose biographical sketch occupies 300 words in the British Who's Who, had been suspected of everything from hating babies to putting butter on his oatmeal, the private sleuths told the federal department heads. The immigration officials were asked to find out whether he, as a Canadian, had a good reason to be in this country. All this, of course, before the automobile accident of yesterday morning.

The income tax experts were solicited. Maybe Mr. Bull had not accounted to Uncle Sam for his reputedly enormous revenue. These departments dismissed the sleuths with tolerant amusement. But, not so with the narcotic operatives.

In tapping the wires of Mr. Bull and Mrs. Sidley, the private investi-

(Continued on page 4, column 5.)

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Code Mystery Dispelled.

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Mr. Bull has a large family and at least two of his sons have been socially popular in Chicago, accepted in some of the city's leading families. There have been rumors of their prospective engagement to debutante daughters of one or more of these families. Whether friends of the young women had anything to do with the harrassment of Mr. Bull is a matter that the federal authorities would only speculate about.

Mr. Bull and Mrs. Sidley were expected to appear today before Master in Chancery James P. Harold, who is to hear Dr. Sidley's petition for an injunction restraining Mr. Bull from having him shadowed. Dr. Sidley also is suing Mr. Bull and J. J. Harrison, head of a secret service agency, for $250,000.

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W. Perkins Bull H

Crash

VEDNESDAY. FEBRUARY 18. 1931.

W. PERKINS BULL HURT IN CRASH ON MYSTERY TRIP

Auto Hits Truck on Michigan Hill.

(Continued from first page.)

gators had detected a sinister sounding code. They reported this, and Roy Darling, ace narcotic operative from Washington, was called in. "It can't be anything but dope," was Mr. Darling's diagnosis.

Mrs. Sidley, meanwhile, had become annoyed by the constant tapping of the phone wires to her apartment and complained to the telephone company. The tap was traced and the tappers found to be narcotic agents. Then they had to act. This was last Friday, and they learned that Mrs. Sidley was coming in that night from Racine, the home of her father, William H. Horlick, of Horlick Milk fame.

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YEAR BY TH CHICAGO DAILY NE

Capone Dodges Crowd And Appears in Court; Heavy Guard on Hand

Walks In with Lawyer to Answer Contempt Charge; Denies Guilt.

UBLIC IS KEPT OUT

SURRENDERS IN COURT

Al Capone.
[By a staff photographer.]

"Scarface Al" Capone, jailbird and brothelkeeper, made his long-delayed public bow in Judge Wilkerson's federal courtroom today to answer a contempt of court charge, but he eluded most of a crowd of several hundred curious who appeared to get a look at him.

After dallying in the courtroom for an hour, awaiting the start of the hearing, Capone, through his counsel, entered a plea of not guilty. He then sat by listening attentively while the judge and attorneys began a discussion of the legal phases of the case. The government had half a dozen witnesses ready to testify.

The federal building was strongly guarded, a barricade was erected in the corridor leading to Judge Wilkerson's courtroom, and the public was excluded. Two policemen waited to take him to jail as a vagrant when he left the courtroom.

The stage was set to greet the notorious gangster with all the pomp and ceremony of a prima donna making a debut. At the Adams street entrance to the federal building there milled a crowd of several hundred, pushing and mauling and blocking traffic.

Atop sound-recording trucks at the curb perched movie cameras, their lenses trained on the Clark street door. And then, like a balky prima donna, Mr. Capone literally walked down the back aisle to the stage while the throng was expecting him to enter from the wings.

He Appears Without Guards.

At exactly 9:28 a o'clock a big limousine, looking like anyboby else's limousine, pulled up to the Adams street entrance, around the corner.

CHICAGO ILL DAILY NEWS
WEDNESDAY, FEBRUARY 25, 1931.

1931 13

CAPONE APPEARS IN U. S. COURT; DODGES CROWD

(Continued from First Page.)

everybody at the barricade except those who had credentials of some sort indicating they had business inside the courtroom.

Courtroom Closely Guarded.

Up and down the corridor and about the courtroom walked representatives of nearly every law-enforcing agency in the city. There were federal deputy marshals, secret service men, armed treasury guards, subpœna servers and city policemen. Their business was mostly to give John Public a polite but firm nudge in the ribs and invite him to keep moving.

There was even a deputy coroner on hand. Somebody called Mr. Capone's attention to that. Capone didn't seem to like the sally very much.

"Oh, I don't suppose he's here looking for business," said the informant. Whereupon Capone laughed with the rest.

He's in Affable Mood.

Capone was in an extremely affable mood. He sat down in the courtroom and swapped quips and sallies and information—very little information—with a pack of reporters and federal men who swarmed about him. His only jewelry adornment was a flashy and expensive one—a platinum and diamond watch chain that stretched clear across the expansive bosom of his blue vest. It had large diamonds set in it about an inch apart.

Occasionally he interrupted his conversation to smile a greeting and shake hands with a reporter or federal officer or policeman acquaintance. He talked about the weather and this and that and touched upon politics, but divulged very little about himself.

"Lyle," he said once, "tried to make a campaign issue out of me, but the public answered him."

"How did you get up here, Al, by plane or train or how?" he was asked.

"Oh, I just got here," he smiled.

Won't Sell Florida Home.

"No, I'm not going to sell my home in Florida," he said in reply to a question.

"I'm going back down there when I get through here. I like it there. I'm going to finish up all my business with the police and these fellows this time and get it over.

"I'm going to surrender myself to

has finished his business inside. He will then be taken downstairs, loaded into a squad car and taken to the detective bureau, where Drury and Howe will book him, lock him up in a cell and notify Chief of Detectives John Norton that one Mr. Capone is safely in tow. Then will come up the matter of taking Mr. Capone to jail and seeing about his release on bond.

Surprise Action Foreseen.

A surprise was promised in the form of possible new action charging Al with conspiracy to evade the federal income tax laws, said to have been prepared for him by United States District Attorney George E. Q. Johnson and his assistants, Cassius Poust, Jacob Grossman and Dwight Green. The latter three successfully prosecuted Capone's brother, Ralph: his first vice-president in charge of vice, Jake Gusik; and several other gangsters on the same counts.

Pat Roche, chief investigator of the state's attorney's office, was also expected to be present.

Receiving reports that Capone had returned over the week-end to hide out with Johnny Patton, the middl aged "boy mayor" of Burnham, Jud Frank M. Padden of the Felony cou asked Roche to find "Scarface" Al, but the prosecutors' men were unsuccessful.

1931 13

DAYTON OHIO NEWS
THURSDAY, FEBRUARY 26, 1931.

Home Town Has Changed, Prodigal Capone Finds

BY OWEN L. SCOTT

Copyright, 1931, by The Dayton Daily News

CHICAGO, Feb. 26.—The old home town isn't quite the same to that boy who made good—Alphonse Capone, underworld czar, back for an extended sojourn.

Home again, Al commented today that things have changed. What the "big guy" among hoodlums actually found was that he had won one battle, only to run into another—and maybe a tougher one.

He now is undisputed lord of one of the richest booze and vice markets in the nation, after 10 years of bloody and treacherous fighting, which cost over 300 lives to win.

But the scarfaced general—fat, with a double chin and obvious paunch, his hair receding, yet with the same tell-tale hard glint in his eye, still has his battle with the federal government and it looks as though the law finally is catching up with him.

Until it connects, Al is enjoying new sensations. Wednesday he was able to go downtown to the Federal building without a bodyguard, in sharp contrast to the former necessity for a half dozen retainers. Besides, he rode the streets in an unarmored car.

Everything was peaceful. For the first time the gang leader was able to enjoy the fruits of monopoly. These have been his ever since Jake Lingle, Chicago Tribune reporter, was slain and the Moran gang paid for that folly with the loss of all privileges.

But interspersed were other changes that Al noticed. He was "mugged" for the first time in his local career when presented with a vagrancy warrant at the detective bureau. Besides, Judge James H. Wilkerson, the federal jurist who sentenced Al's brother Ralph to three years in Leavenworth, was not at all patronizing.

Capone is charged with holding Judge Wilkerson's court in contempt when he failed to answer a federal frand jury subpoena in 1929. The gangster has all kinds of doctors' reports to explain his action, but the government has many witnesses to show that he wasn't too sick to travel or attend horse races.

But after this brief court experience Al has another with the state courts in answer to a vagrancy warrant, issued against him as "public enemy number one." These warrants thus far have been found "bum raps" by juries, but they are troublesome.

Then George E. Q. Johnson, federal district attorney for the northern district of Illinois, is cooking up a little surprise for the scarfaced leader in the shape of an indictment for conspiracy to violate the income tax law. This may not be in shape, however, until the federal court of appeals passes judgment on convictions of other gangsters under this provision of the revenue laws.

Strangely, the prohibition department has nothing for Capone, although he admits that supplying Chicago and the middle west with booze is his occupation.

Recently the writer asked Amos W. Woodcock, national director of prohibition, the reason for lack of prosecution of these gang leaders.

"There are two reasons," Mr. Woodcock replied. "One is that these men operate indirectly, hiring men to do the actual work of manufacturing and distributing. When we convict these hired men their salaries go on as before and fines are paid, so that the machine is not seriously hurt.

"The second reason is that investigational work in the past has been poor. This is being remedied."

Capone found his public as intensely interested in him as before. Crowds gathered wherever he went. He was as ready as he has been in the recent past to talk to all interviewers. But Al assured newspapermen that he is not going into the literary business.

"That would be cutting in on the work of the boys who are writing about me," he said. Cutting in is a capital offense in Capone's world.

The gang boss admitted, however, that he has been offered $2,000,000 to write his autobiography for moving picture production. He would star in the leading role.

The law, however, is expected to occupy his attention for some time.

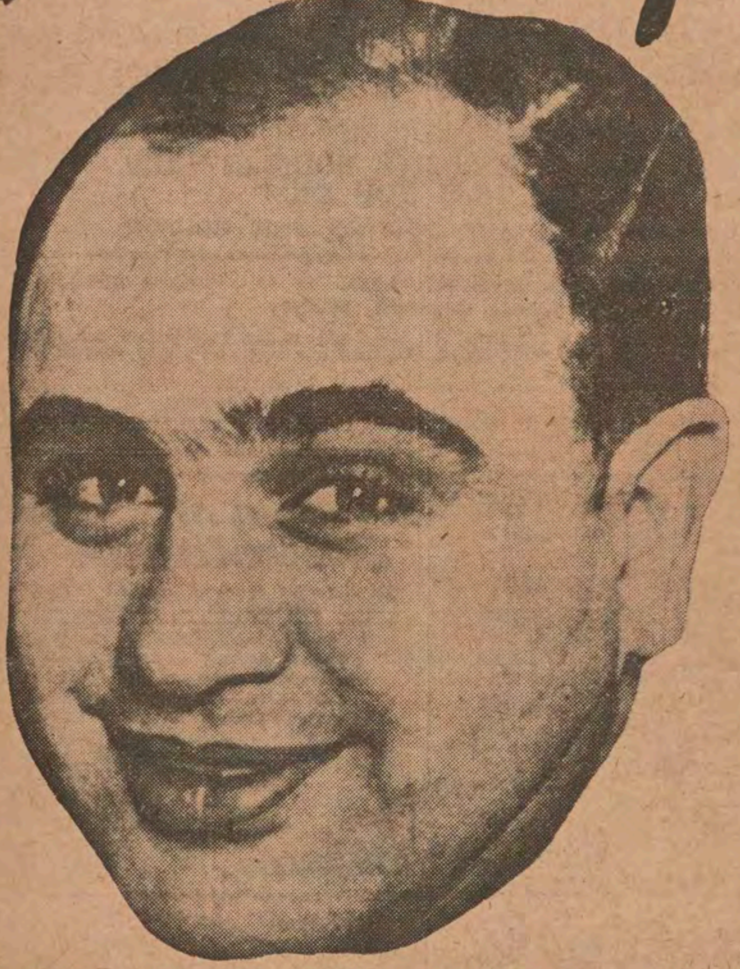
RAILROAD TIME CARD

1931 13

A GREAT SUNDAY CHRONICLE SCOOP

CAPONE!

The Life Story of the Most Amazing Man in the World



Here at last is the biography of "Scarface" Al Capone, the millionaire ruler of Chicago, a crime-run city of 3,000,000 people. The first true-life picture of a land where the cheapest thing is human life—where a man can be "bumped off" for £30. A startling social document of the first importance.

THE MAN WHO by organised crime, amassed a fortune of £5,000,000 in nine years—

WHO took an industrial town of 70,000 people bag and baggage, forced it to vote as he dictated, and installed his own mayor—

WHO lives in an armoured car, is guarded by sentinels at night, has a bodyguard of 18 immaculately-dressed ruffians, and for whose assassination £12,000 was offered—

WHO waits, finger on trigger, for the gun that may get him!

St Louis Post Dispatch 2/26/31

ST-DISPATCH

s With the Associated Press News Service

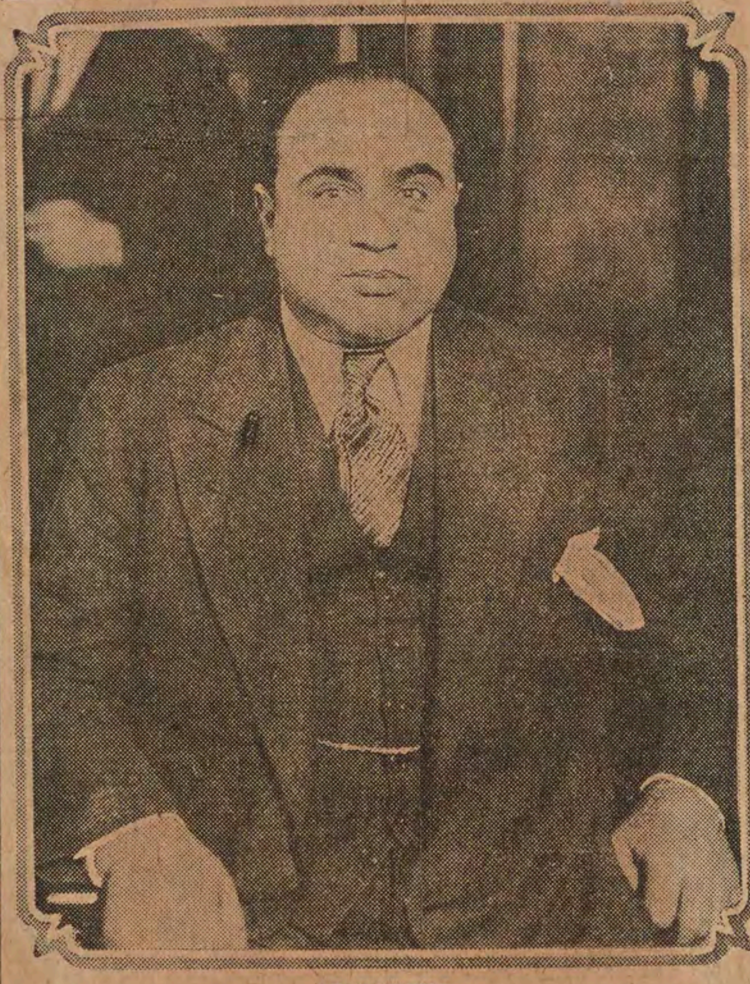
ILLINOIS-MISSOURI
HOME
... EDITION

RUARY 26, 1931.—40 PAGES.

PRICE 2 CENTS

"SCARFACE AL" CAPONE SOON TO BE INDICTED FOR EVASION OF FEDERAL INCOME TAX

On the Spot as Tax Dodger



AL CAPONE.
Photographed in court yesterday.

GAMBLING HOUSE BOOKS OBTAINED IN RAID FURNISH CHIEF EVIDENCE

Leader of Chicago's "Public Enemies" Has No Bank Account or Securities but Dion O'Banion Had Record of Revenues Kept.

SEVEN SPLIT UP $560,000 PROFIT

As No. 1 Gangster, Capone Feels Obliged to Spend Lavishly but Wealth Has Been Greatly Exaggerated.

By a Staff Correspondent of the Post-Dispatch.

CHICAGO, Feb. 26.—A Federal grand jury here has begun to hear evidence which Government agents are presenting in the expectation of sending "Scarface" Al Capone, most notorious of gangsters, to a Federal penitentiary for ignoring the internal revenue laws.

This leader of Chicago's "pub

his winter home in Florida on an income derived from lawless pursuits in open defiance of all authority and by some magic seemingly beyond the law, has never made an income tax return.

"To hell with the Government," has been his boast, according to Government information. Three of his partners are under penitentiary sentence for evasion of income taxes.

Although Capone has never kept a bank account, bought any securities nor done any business of record, Government agents, specially assigned, who have made an intensive investigation of his activities up the years from 1924, now are prepared to confront the scarred one with a record of earnings, long since dissipated in expensive living, from sources he little thought could be discovered.

Division of $560,000.

To begin with, the Government, taking but three years of Capone's activities—1924, '25 and '26—will endeavor to prove that he and six others divided $560,000, representing the net profit from one gambling house in Cicero, suburb of Chicago. This does not take into account income from liquor, various rackets and from a chain of disorderly houses operated by him and Jake Guzik, one of his partners. The latter now is under a five-year sentence to the penitentiary for evasion of income taxes.

Associated with Capone as partners in operation of the gambling house, which was called The Ship, were Ralph Capone, his brother; Guzik, John Torrio, reported by Chicago newspapers to be living in Italy, but who in reality resides under an assumed name in a big house at St. Petersburg, Fla.; Pete Penovich and Frank Rio, gunmen among Capone's Florida bodyguards; Louis Alterie, Montana cowboy, who hurriedly went West when Capone marked him for death, and the late Dion O'Banion.

These men took the net profits of the gambling house, which operated at different addresses in Cicero following raids by county officers, after setting aside 20 per cent for distribution among certain officials who permitted them to operate.

Indictment Before March 15.

The statute of limitations will be reached March 15 on the 1924 income of Capone, after which he cannot be prosecuted for that year's income, and for this reason the grand jury is expected to return an indictment which is regarded as certain to be found before the date. Indictments probably will be returned on several counts, each of which will carry a penitentiary sentence of two years together with a fine of $10,000 on each count besides penalties on the delinquent tax.

Once in the penitentiary, Capone is expected to face probable indictments for failure to make returns

Continued on Page 2, Column 4.

STATE SURVEY TAX LEVY REDUCED IN REPORT TO SENATE

Total Cut From Estimated Revenue of House Bill Is $2,000,000—Income Rates Lowered.

CITY GROUP BEATEN IN COMMITTEE

Provision Made for Flat 2 Per Cent if Graduated Scale Is Declared Unconstitutional.

By a Staff Correspondent of the Post-Dispatch.

JEFFERSON CITY, Feb. 26.—The State Survey Commission graduated income tax bill was reported favorably by the Senate Ways and Means Committee today with reductions totaling approximately $2,000,000 from the amount that would have been raised under the bill as originally introduced and as passed in the House.

The corporation income tax rate was fixed at 2 per cent, instead of 2½, and the bill doubling the corporation franchise tax was reported favorably.

The action was a change from an earlier indicated position of the committee to report the original bill without recommendation, and also to report the Clark straight 2 per cent bill, which met Gov. Caulfield's views.

As reported by the committee the bill reduced the proposed tax on incomes in all brackets, starting at 1 per cent on the very low, instead of 1½ per cent, and reaching a maximum of 5 per cent, instead of 5½ per cent.

Detailed Changes.

Under the provisions of the original bill, a deduction of one-half of one per cent on $4000 was provided for incomes falling within the $4000-$7000 bracket, one per cent on $4000 for incomes in the $7 one-ha comes in the $10,000-$1 0 bracket two per cent on $4000 on incomes in the $13,000-$16,000 bracket, two and one-half per cent on $4000 on incomes in the $16,000-$19,000 bracket, and three per cent on $4000 in the bracket above $19,000.

Under the amended bill provision is made for a deduction of one-half of one per cent on $4000 on incomes in the $4000-$10,000 bracket, one per cent on $4000 on incomes in the $10,000-$16,000 and one and one-half per cent on incomes in the bracket above $16,000.

The committee reported out both the Senate and House bills, the amendments being made to both, which were the same. The House bills are thus on the calendar for Senate action.

Proposed Income Rates.

Under the amended bill on individual incomes, the rates are on net incomes up to $1500 above exemptions, 1 per cent; on net incomes up to $4000 above exemptions, 2 per cent; on incomes between $4000 and $10,000 above exemptions, 3 per cent; on incomes between $10,000 and $16,000 above exemptions, 4 per cent; and on all incomes above $16,000 above exemptions, 5 per cent.

As recommended by the Survey Commission and as passed in the House the rates were: On incomes up to $1500 above exemptions, 1½ per cent; on incomes up to $4000 above exemptions, 2½ per cent; on incomes between $4000 and $7000, 3 per cent; on incomes between $7000 and $10,000, 3½ per cent; on incomes between $10,000 and $13,000, 4 per cent; on incomes between $13,000 and $16,000, 4½ per cent; on incomes between $16,000 and $19,000, 5 per cent, and on incomes in excess of $19,000, 5½ per cent.

Division in Committee.

The committee was in session until after midnight before reaching a decision on the form in which the bills should be reported. Members from St. Louis and Kansas City, Senators Brogan, Warner and Casey offered vigorous objection to the high rates in the measure, but were outvoted by the rural Senators, the vote in the committee on a favorable report being seven to five. It is understood, however, that this vote cannot be taken as a certain indication of the exact standing of the committee on the bills, two of the rural members opposing the favorable report today, but placing their opposition on the ground that they were opposed to rushing the bills out rather than that they were opposed to the measures.

The Survey Commission had estimated that the bills as originally offered would produce an added $7,000,000 income tax revenue, or a total of approximately $11,000,000. Other estimates placed the additional amount which would be produced as high as $21,000,000.

State Auditor Thompson's figures

Continued on Page 2, Column 7.

X-RAY FORECAST TWINS BORN TO MRS. VANDERBILT

Doctor Says Accurate Prediction Is Now Possible Three Months Before Birth.

By the Associated Press.

NEW YORK, Feb. 26.—The X-Ray forecast of twins for Mrs. William H. Vanderbilt, to whom twin daughters were born yesterday, is only one case of a phase of work that has become routine in the best medical centers of the country, Dr. I. Seth Hirsch said. Three months before birth the X-Ray discloses whether one, two or three children will be born, according to Dr. Hirsch.

Mrs. Vanderbilt was told several weeks in advance of the birth of the twins that she was to become the mother of two children. Her babies weighed seven pounds six ounces and five pounds 11 ounces.

Before her marriage Mrs. Vanderbilt was Anne Gordon Colby, daughter of Mrs. Everett Colby of Llewellyn Park, West Orange, N. J. She was married in 1929. Her husband is a son of the late Alfred Gwynne Vanderbilt and a nephew of Gen. Cornelius Vanderbilt. Mrs. Harry Payne Whitney is his aunt.

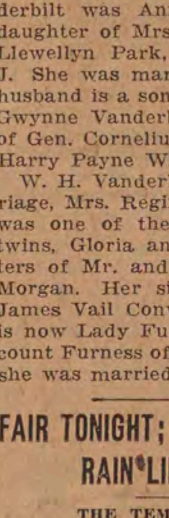
W. H. Vanderbilt's aunt by marriage, Mrs. Reginald C. Vanderbilt, was one of the famous Morgan twins, Gloria and Thelma, daughters of Mr. and Mrs. Harry Hays Morgan. Her sister first married James Vail Converse of Paris and is now Lady Furness, wife of Viscount Furness of England, to whom she was married in 1926.

FAIR TONIGHT; CLOUDY, RAIN LIKELY TOMORROW

THE TEMPERATURES.

1 a. m.	39	7 a. m.	34
2 a. m.	37	8 a. m.	37
3 a. m.	36	9 a. m.	41
4 a. m.	36	10 a. m.	43
5 a. m.	35	11 a. m.	46
6 a. m.	34		

Yesterday's high, 57 (2 p. m.); low, 36 (7 a. m.).



ALL ACCORDING TO THE LAW AND THE PROFITS.
FEB 26 31
POST-DISPATCH WEATHERBIRD

Official forecast for St. Louis and vicinity: Fair tonight; tomorrow considerable cloudiness, probably rain by night; rising temperature; lowest tonight about 38.

Missouri: Probably fair tonight and tomorrow, except some cloudiness in north portion; slightly warmer tomorrow, and in northwest portion tonight.

Illinois: Fair tonight; tomorrow fair with increasing cloudiness; slightly warmer tomorrow in west portion.

Sunset, 5:50. Sunrise (tomorrow), 6:37.

Stage of the Mississippi, 1.8 feet, no change.

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180 KILLED IN FIJI ISLANDS HURRICANE, SHIP REPORTS

Train Said to Have Been Blown Off Rails and Lighthouse Swept Away; Narrow Area Hit.

By the Associated Press.

WELLINGTON, New Zealand, Feb. 26.—More than 180 persons were killed in the Ba and Singatoka districts of the Fiji Islands in the worst hurricane and floods there in recent years, members of the crew of a Government ship reported on their arrival at Suva, Fiji Islands, tonight.

The hurricane, which occurred a few days ago, was reported to have blown a train off the rails at Lautoka, causing many casualties. The lighthouse at Nadi was blown away.

The hurricane was felt along only a narrow strip of territory, outside of which the country was unaffected.

SPEAKER TO NAME COMMITTEE ON IMPEACHMENT OF BRUNK

Six Members of House to Draw Up Formal Charges Against the State Treasurer.

JEFFERSON CITY, Feb. 26.—The House today awaited the appointment by Speaker Nelson of the Committee of six Representatives to draw up formal impeachment charges against State Treasurer Larry Brunk. Nelson planned to name the special committee today.

The committee and preferment of the charges was ordered by the House yesterday when a resolution was adopted by a unanimous oral vote. The resolution said it was the sense of the House that Treasurer Brunk be impeached, provided for the committee, preparation of the charges, and their presentation back to the House for formal action.

Representative Stanley P. Clay (Dem.), Joplin, chairman of the special committee which conducted the Brunk investigation, presented the resolution. It followed the House action Tuesday in adopting the report of the committee which recommended impeachment of the State Treasurer on 12 charges of irregularities, "high crimes, misfeasance and misconduct in office."

Presentation of the formal charges back to the House is expected late this week, or early next week, when it will pass upon the charges individually.

SENATE ENGROSSES HIGHWAY PATROL MEASURE, 22 TO 8

By the Associated Press.

JEFFERSON CITY, Feb. 26.—The State Highway Patrol bill survived the attacks of its opponents in the Senate, who attempted to "amend it to death," and was ordered engrossed yesterday by a vote of 22 to 8.

Senators Dearmont and Morgan, who introduced the measure, said that changes in the provisions which were made by the Senate did not injure the bill. Chief among them was the reduction of the number of patrolmen from 14 to 115, and the lowering of the pay of the superintendent from $600 a year to $4800, and that of patrolmen from $2400 to $1800.

2 CENTS PAY NO MORE!

Chicago Daily Tribune

THE WORLD'S GREATEST NEWSPAPER

FINAL EDITION

VOLUME LXXXX.—NO. 50 C [REG. U. S. PAT. OFFICE: COPYRIGHT 1931 BY THE CHICAGO TRIBUNE.] FRIDAY. FEBRUARY 27. 1931.—36 PAGES THIS PAPER CONSISTS OF TWO SECTIONS—SECTION ONE * * PRICE TWO CENTS IN CHICAGO AND SUBURBS ELSEWHERE THREE CENTS

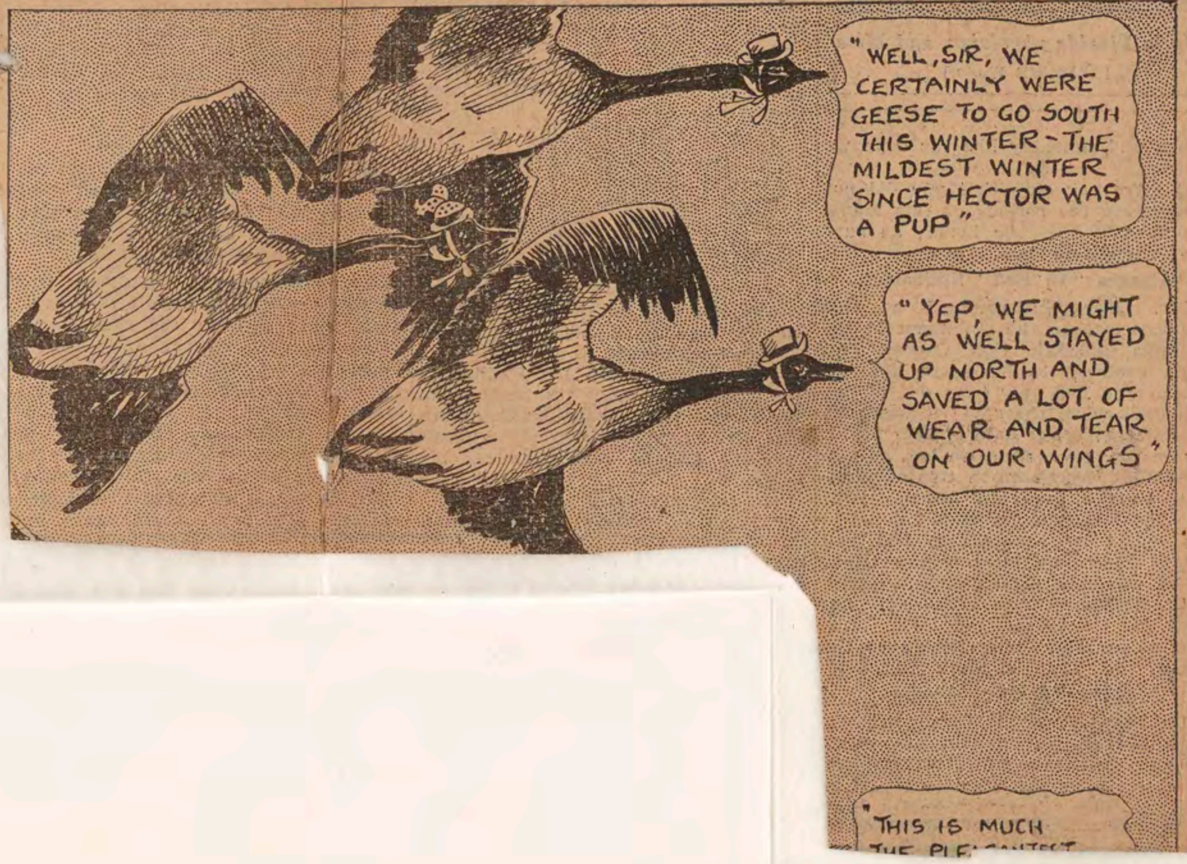
JUDGE HOLDS CAPONE'S FATE

Defeats Bonus Veto 328 to 79

NEWS SUMMARY
of The Tribune
[And Historical Scrap Book.]
Friday, February 27, 1931.

LOCAL.

DELUDED TRAVELERS GOING NORTH


"WELL, SIR, WE CERTAINLY WERE GEESE TO GO SOUTH THIS WINTER – THE MILDEST WINTER SINCE HECTOR WAS A PUP"
"YEP, WE MIGHT AS WELL STAYED UP NORTH AND SAVED A LOT OF WEAR AND TEAR ON OUR WINGS"
"THIS IS MUCH

DOCTOR TELLS HOW GIRL DIED AT GIN PARTY

Kirkland Fights to Bar Confession.

BY WALTER FITZMAURICE.
[Chicago Tribune Press Service.]
(Picture on back page.)

Valparaiso, Ind., Feb. 26.—[Special.] —Testimony in the trial of Virgil Kirkland reached an emotional climax today with a medical expert on the witness stand all afternoon describing how Arlene Draves was ravished and killed.

The ex-

Philadelphia's Ritziest Club Raided for Rum

Philadelphia, Pa., Feb. 26.—(AP)—Police raided the old, exclusive blue stocking Philadelphia club this afternoon and reported they had obtained 200 bottles of liquor. Early today the wealthy Manufacturers' club was similarly raided and 225 bottles of choice wines and other liquor were confiscated.

The Philadelphia club, organized in 1833, has had in its roster the names of many of the best families of Philadelphia and vicinity. Membership has always been difficult to obtain. The clubhouse, which for more than a generation has occupied an old fashioned building, stands at 13th and Walnut streets, one block from the Manufacturers' club, at Broad and Walnut streets.

Lemuel B. Schofield, director of public safety, who led the raid on the Manufacturers' club, denied all knowledge of the Philadelphia club search until he sent a detective to the place to investigate.

Not Especially Ordered.

The Philadelphia club raid was made by policemen from one of the central city police stations on general orders of the director last week to clean up the city, and, according to Schofield, the raid had not been specifically ordered by him.

James Taylor, assistant superintendent of police, said much of the 200 bottles of liquor seized in the Philadel-

CONTEMPT CASE DECISION MAY BE GIVEN TODAY

Gang Chief Fails to Take Stand.

A decision by Federal Judge Wilkerson determining whether Al Capone, public enemy No. 1, will go to prison for contempt of court is expected today at the conclusion of the gang leader's trial. The government's closing argument was begun yesterday afternoon by Assistant District Attorney Jacob Grossman and it was believed that the argument of other counsel would be finished this morning.

Capone had indicated that he thought he could assist his own defense by taking the stand, but when his attorneys closed the presentation of their evidence he had not been called as a witness. This was taken by court attachés as an indication that his lawyers sought to save him from the cross-examination that had weakened other defense witnesses.

Doctor Has Bad Day.

One of these was Dr. Kenneth Phillips, Capone's Florida physician, who put in a bad day under questioning by the prosecution about the affidavit

WITH BANDITS

t 750 East 103d street, where a bandit, oseph White, personal bodyguard of for treatment. The wounded youth red later. At left (inset)—James Ben- was wounded by White. At right—the bandits after they had taken his [By a staff photographer.]

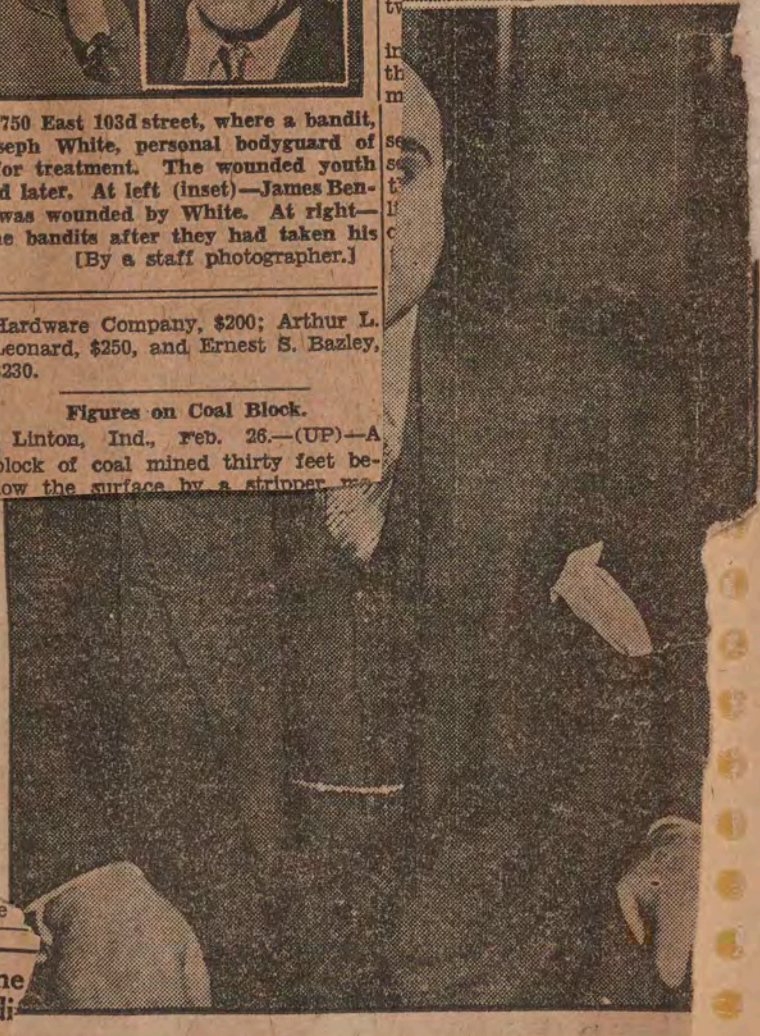
Hardware Company, $200; Arthur L. Leonard, $250, and Ernest S. Bazley, $230.

Figures on Coal Block.

Linton, Ind., Feb. 26.—(UP)—A block of coal mined thirty feet below the surface by a stripper

GO DAILY NEWS, T

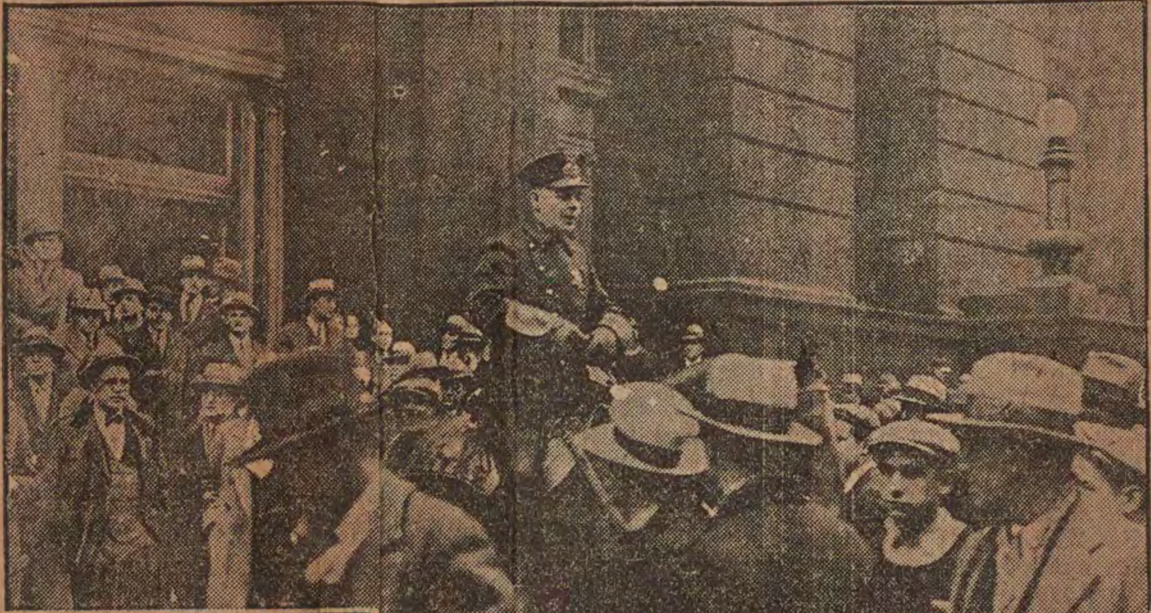
BLIC ENEMY NO. 1

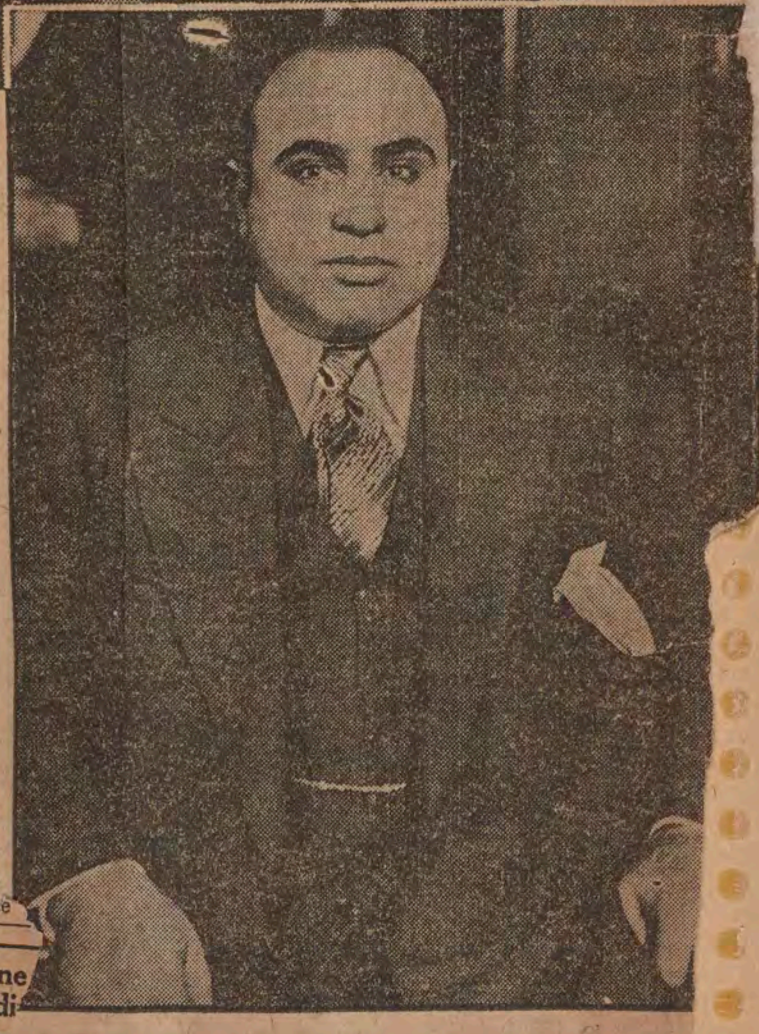


Capone Edi

Above—Scene outside the federal building as crowds sought glimpse of Alphonse ("Scarface") Capone. A cordon of mounted po necessary to keep order and to open a lane in the street for traffic. —Dr. Kenneth Phillips, who attended Al Capone during his "illne Capone, who is charged with contempt before Federal Judge J Wilkerson, and was also booked for an appearance on a vagrancy before Judge Frank M. Padden in the Felony court.
[Photograph of Dr. Phillips by a staff photo grapher; others by The Associated

CURIOUS GATHER FOR GLIMPSE OF PUBLIC ENEMY NO. 1





Above—Scene outside the federal building as crowds sought t glimpse of Alphonse ("Scarface") Capone. A cordon of mounted po necessary to keep order and to open a lane in the street for traffic. —Dr. Kenneth Phillips, who attended Al Capone during his "illne Capone, who is charged with contempt before Federal Judge J: Wilkerson, and was also booked for an appearance on a vagrancy before Judge Frank M. Padden in the Felony court.

[Photograph of Dr. Phillips by a staff photo grapher; others by The Associated

Capone Edi

1931 17

phia club was apparently imported. Most of it was found in lockers and some in other parts of the clubhouse.

The raid was led by Detective Bronislaw Wieleba and was quietly conducted. Wieleba has been in the service only a short time. He conducted an investigation during the last twenty days after he said he had seen liquor being delivered at the club twice a day.

Prior to the Philadelphia club raid Director Schofield threatened to arrest certain members of the Manufacturers' club, which lists prominent and influential Philadelphians on its membership roll. Immediately after the Manufacturers' club raid Schofield wrote his resignation as a member of the organization.

One man, August Bolli, manager of the Manufacturers' club, was arrested at the time of the raid and was held in $1,000 bail for a further hearing two weeks hence.

Club Within a Club.

The raid was made on several rooms on the fifth floor which, club officials said, were occupied by the "Fifty club," an organization of members within the club.

Schofield said that after considerable maneuvering he and his police assistants obtained a key to room 508 and entered.

There were seven or eight tables in the room and in one corner a small bar.

"A small room adjoining this had evidently been used in the past as a bathroom," said the director. "On shelves above this platform were cocktail shakers, ice scoops, and other utensils evidently used in mixing drinks. Near by there was a closet, and in this were a refrigerator and five champagne coolers."

In an adjoining room were 100 steel lockers. "We opened the lockers," Schofield said, "and took out a total of 255 bottles of assorted wines, whisky, champagne, and old prewar brands."

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on the gang chief's illness out of which the two year old case grew.

Judge Wilkerson assisted Prosecutor Grossman in a withering cross-examination of Dr. Phillips, which ended in the physician's admission that many of the statements in the affidavit were false. Capone, on the plea of illness, gained a stay from March 12 to March 20 on a subpoena to appear before a federal grand jury in Chicago in 1929.

On the other hand, Capone's nurses who attended him night and day during his attack of pneumonia in January, 1929, could not be swayed by cross-examination from their testimony that he was a sick man, and that he did not leave his Miami residence on the 17th, 18th, or 19th of January, when, according to the testimony of three policemen, he attended the Hialeah races.

Police Guard Continued.

The novelty of Capone's being in town and on trial had somewhat waned yesterday, the second day of the hearing, and fewer curiosity seekers flocked to the federal building. But the police motor escort was still in attendance, accompanying the respondent on his trips from the Lexington hotel to the federal building and back. The gangster used a high powered automobile for the first trip. With him rode Philip D'Andrea, well known hoodlum, who accompanied Capone on his airplane trip from Miami to Bimini when Capone was supposedly "confined in bed."

Capone was scheduled to be arraigned in Felony court before Judge Frank M. Padden yesterday on the vagrancy charge pending against him. His counsel, Attorney Michael Ahern, informed Judge Padden that the gangster was on trial in federal court.

"Well, he can't be in two places at once," said Judge Padden, and continued the case until March 4.

Nurse Tells of Illness.

Miss Nora Hawkins, now attached to the Dade county hospital at Miami, was the first nurse called on Capone's behalf by Attorney W. F. Waugh. She said she was a graduate of the Rhode Island hospital at Providence.

Q.—When did you first see Capone? A.—When I was called in to attend him by Dr. Phillips. To the best of my recollection it was in the second week of January.

Q.—How did you find him? A.—I found him very uncomfortable. He had a temperature of 104 and a high pulse rate. He was coughing hard enough to shake your head off. He also complained of pains in his chest.

Attended Him Seven Nights.

Q.—How long were you there? A.—Between seven and ten nights.

Q.—Did Capone at any time leave his bed while you were there? A.—Absolutely not.

Q.—So far as you know, was he out on the 17th, 18th, or 19th of January? A.—So far as I know, he was not. I was only there nights."

Q.—In your opinion, and taking his condition into consideration, would it have been possible for him to attend the horse races on the 17th, 18th, or 19th [illegible] absolutely [illegible]

Miss Hawkins explained that [illegible] kept daily charts while attending her patient, but that she tore them up shortly afterwards when she went into institution work.

His Day Nurse Testifies.

Miss Ann Fagan, a red haired nurse who said she did her graduate work at the Virginia hospital, Richmond, and had six months experience at the Rockefeller institute, New York, attending returned soldiers suffering

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1931 17

DOAK ORDERS DEPORTATION OF 'MOPS' VOLPE

news 2/27/31

Public Enemy No. 2 to Be Sent Back to Italy by U. S. Decree.

Tony ("Mops") Volpe, lieutenant of "Scarface Al" Capone and public enemy No. 2, today was ordered deported to Italy by Secretary of Labor Doak.

The order, issued at Washington, D. C., follows a series of hearings here at which it was shown that Volpe had technically violated the immigration laws of the United States by making a trip to Cuba and return.

John Elliott Byrne, Volpe's counsel, announced he would seek a writ of habeas corpus as soon as the warrant arrives here from Washington, probably within a week.

Volpe is 40 years old and lives at 1500 North Menard avenue with his wife and two children.

In 1925 Volpe was found guilty of counterfeiting war savings stamps and sentenced to the penitentiary. He has since been active in the Capone murder division—so active that at one time the north side gang, headed then by "Little Hymie" Weiss, offered to make peace if Volpe was "put on the spot" so they might square accounts with him.

Volpe is at liberty in bonds of $10,000 in the deportation proceedings and $10,000 on a public enemy vagrancy charge.

1931 17

CHICAGO ILL DAILY NEWS
SATURDAY, FEBRUARY 28, 1931.

Capone Facing Jail, Crime War Whirls Along

U. S. Plans Gang Chief's Income-Tax Prosecution; Speed Volpe Exile.

WHITE TRIAL MONDAY

With "Scarface Al" Capone, boss booze, vice and gambling racketeer, under sentence of six months for contempt of court, Chicago's cleanup drive whirled along today with the authorities pressing the fight on several new fronts.

While Capone was at liberty today pending an appeal from Federal Judge James H. Wilkerson's sentence, District Attorney George E. Q. Johnson and his aids busied themselves completing evidence on which an indictment will be sought against the gang leader for income-tax frauds similar to those which have already brought prison sentences to some of his principal cohorts.

Immigration authorities in Chicago meanwhile were making preparations to expedite the deportation of Tony ("Mops") Volpe, long a reputed member of the so-called murder division of the Capone syndicate.

White Plea Is Denied.

Judge Joseph Sabath in the Criminal court overruling the motion to quash the indictment against William J. ("Three Fingered Jack") White, also listed as a public enemy, ordered him to trial Monday morning for the killing of a policeman several years ago.

In refusing the plea of White's attorneys Judge Sabath also announced that the trial of Leo V. Brothers, St. Louis hoodlum indicted for the murder of Alfred Lingle, which had been set for March 3, would follow immediately upon the conclusion of White's case.

The Popes Are Questioned.

That the government officials were already pressing their efforts to land Capone in a prison cell for income-tax law violations became known today through the reported appearance in the federal building of Willie and Bennie Pope, who at various times are reputed to have been prominent

MOLINE ILL DISPATCH
SATURDAY, FEBRUARY 28, 1931.

POWER OF CAPONE HAS ABOUT ENDED IN CHICAGO AREA

Underworld in Terror Over Recent Attacks of Law and Order Groups.

Chicago, Feb. 28.—(AP)—A beginning of the end of the grip of power in Chicago of "Scarface Al" Capone, the internationally notorious gangster chief, was seen today by federal officials, they said, in the six-months' jail sentence imposed upon him in federal court.

Toppled suddenly from his throne of apparent immunity by Federal Judge James H. Wilkerson, who found him guilty of contempt of court for his attempt to delay his appearance before a grand jury in 1929, Capone was pictured by government officers as losing ground because his reputation for immunity from punishment in the Windy City appeared to be broken.

But Capone, although apparently stunned by the length of his sentence, was in a fighting mood today with his hope pinned in a thirty-day stay of execution and an appeal by his attorneys to the circuit court of appeals. Meanwhile he was free under a $5000 bond, which will have to be renewed in federal court Monday.

Story Fails.

Having failed to convince Judge Wilkerson of the truth of his story that he was too ill to come up from his Florida home in the winter of 1929 to appear before the grand jury which was investigating incomes, Capone, long known as the "big fellow" of the gangster business, faced not only the fight on the appeal, but an appearance in criminal court next Wednesday for vagrancy.

"I shall be glad to try Capone for vagrancy," said Harry Ditchburne, assistant state's attorney. "He has had no legitimate occupation for years."

The sentencing of Capone—an unprecedented action in Chicago—was but one of many developments that came thick and fast in gangland circles. Tony "Mopes" Volpe, reputed to be his chief lieutenant, was ordered deported to Italy by the department of Labor at Washington. Almost simultaneously Judge Joseph Sabath announced the trial of Leo V. Brothers, St. Louis, accused of slaying Alfred Lingle, Tribune reporter and friend of Capone, would be postponed next Tuesday to make way for William "Three-Finger" White's second trial for the murder of a policeman.

Gloom to Capone.

While the Capone sentence brought gloom to "Scarface Al," it was just another victory in the 1,000 percent record of United States Attorney George E. Q. Johnson, in prosecuting Capone gangsters. His victories included the sentencing of Al's brother, Ralph, to three years, the imprisonment of Frank Nitty, known as "the enforcer" for eighteen months, the conviction of Jack Guzik, and the indictment of Sam Gusick, all for income tax evasion.

If and when Capone goes to jail it will not be a new experience for him as he was held for almost a year in Pennsylvania for carrying a concealed weapon in 1929. Neither will there be any glory for him in the Cook county (Chicago) jail, if Sheriff William D. Meyering has his way.

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CAPONE CONVICTION SPURS PROSECUTOR

Turning Point in Chicago Fight on Gangland Is Thought Reached.

By the Associated Press.

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Sam Guzik, brother of Jack, has been indicted, and two former beer barons, Frankie Lake and Terry Druggan, have entered conditional pleas of guilty to income tax charges.

The Government has indicated it is just getting started on the income tax cases against those who have made millions and given none of it to the Government. And it is no secret that the reputed great wealth of Al Capone himself has been under investigation for months.

Term Must Begin by July.

Judge Wilkerson, in permitting Capone 30 days more of freedom on the contempt case to enable his attorneys to file an appeal, stipulated that unless his decision were reversed, Capone must start serving his term by July. This would keep him in jail until December, when the Government hopes to have its income tax case against him ready to take before the grand jury.

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QUI Y ILL HERALD
SUNDAY, MARCH 1, 1931.

CAPONE GUILT AIDS CHICAGO CRIME DRIVE

Officers Are Heartened By the Conviction of "Public Enemy."

PUSH FORWARD IN GANG FIGHT

By the Associated Press

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"Just Getting Started."

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ROCHESTER N Y AMERICAN
SUNDAY, MARCH 1, 1931.

CAPONE TERM ADDS SPIRIT TO DRIVE ON CRIM

Chicago Law Agencies Heartened by Conviction of 'Public Enemy No. 1'; More Seen

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Associated Press

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CHICAGO ILL. TRIBUNE
SUNDAY, MARCH 1, 1931.

1931 18

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COL. C. J. KRAFT IS ACQUITTED OF THEFT CHARGES

Former Guard Officer Is Freed by Jury.

Col. Charles J. Kraft, former commander of the 202d coast artillery, whose indictment last July on charges of embezzling $100,000 of federal funds precipitated a scandal in the Illinois national guard, was acquitted by a jury reporting to Federal Judge Wilkerson yesterday.

E. H. Besterfield of Homewood, foreman of the jury, said that while the jurors were satisfied that there were irregularities in the handling of funds in Col. Kraft's regiment, seven of them and ultimately the entire jury, were convinced that the defendant acted in good faith and disbursed the funds for the good of the service.

Kraft Thanks Jurors.

Kraft's military record, twenty-four years of service, including the Boxer rebellion, the Mexican border campaign and the world war, was emphasized by the defense, and it was reported that this appealed to the sympathy of the jurors. Kraft thanked the members of the jury for their verdict and shook hands with Assistant United States Attorney James C. Leaton, who prosecuted the case.

During the trial, which lasted a week in the court of Federal Judge Lindley, battery mechanics and battery commanders took the stand for the government, all declaring that they were required to sign pay rolls in blank, and that whereas the pay of the mechanics was $150 a month, according to the vouchers, they only received $125.

The government witnesses also testified that most of their duties consisted of private work for Col. Kraft while they were on federal pay. They were employed at putting up and taking down circus seats in the Broadway armory, which was rented out for athletic events, according to the testimony.

Mechanics Are Witnesses.

The defense contended that, although some of the mechanics received less than their allotment under the regulations, it was necessary to employ skilled mechanics at higher pay to care for the regimental equipment.

The government also introduced evidence of pay roll padding, with witnesses whose [illegible]me[illegible] were carried on the rolls, testifying that they did no work and received no pay. Others testified that they received no payments attributed to them for enlisting recruits.

Kraft was permitted to resign with his rank by a board of inquiry appointed to look into his "moral fitness," and Col. Charles C. Dawes was appointed head of the regiment.

The case was given to the jury Friday noon and a sealed verdict was reached late that night.

JOHNSON URGES

COL. KRAFT FREED

COL. CHARLES J. KRAFT.
[TRIBUNE Photo.]

NEW BANK THEFT TRUE BILL VOTED AGAINST MALLOY

A new indictment against John E. Malloy, former assistant cashier of the closed Lawrence Avenue National bank, charging the embezzlement of $50,000, was returned by the federal grand jury before Judge James H. Wilkerson yesterday.

JOHN E. MALLOY.
[TRIBUNE Photo.]

A previous indictment against Malloy had alleged the embezzle[illegible] of $10,-0[illegible] in cash lost in a purported hold-up of the bank on New Year's day. The second true bill, drawn up by Assistant United States Attorney Owen A. West, contains twelve counts alleging false entries between July 5 and Dec. 31, 1930, one count of embezzling $9,960, and a blanket count of emblezzling $50,000, which includes the smaller sum.

These charges do not cover the missing $10,000 in cash and the $70,000 in valuables stolen from safe deposit boxes at the bank. The true bill was returned along with 86 others naming 135 defendants accused of violating the prohibition law and other federal statutes.

Star Boarder Pays on His

STERLING ILL GAZETTE
SATURDAY, FEBRUARY 28, 1931.

1931 18

Skids Prepared To Slide Al Capone Out Of Power As Chicago's Gangland Chie

Sentenced To Jail For Six Months He Still Faces Trial As A Vagrant

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COL. KRAFT WA

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SUNDAY, MARCH 1, 1931.

CONVICTION

Of Capone Spurs Law

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WITHIN HALF-MILLION.

Washington, February 28—(AP)—The Red Cross campaign for a $10,000,000 drought relief fund today totaled $9,519,700.

1931 19

U. S. QUESTIONS LOUIS ALTERIE ON INCOME TAX

Links to Capone and Jerry O'Connor Traced; Cases Rushed; March 16 Deadline

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Although government officials refused to discuss the nature of the inquiry, it was learned that the authorities are interested in his income tax and his alleged connections with others against whom prosecution is contemplated.

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RUSH TO BEAT DEADLINE.

The jury room was the scene of feverish activity as the prosecutors, District Attorney Johnson's "tax unit," were reported to be rushing evidence for immediate indictments.

It was pointed out that on March 16, when 1930 tax bills become due, the statute of limitations will have expired on tax law violations committed in 1927.

The names of O'Connor and Al ("Scarface") Capone, both of whom have been under investigation for months, were mentioned among those against whom indictments may be sought before the expiration of the three-year limit.

Plan Quick Trial

1931 19

BUNDESEN OUT OF RACE; MOVES TO BEAT MAYOR

Herald 3/4/31

Thompson and Cermak Open Campaign Fire; Democrat Branded as England's Dupe

(Picture on Back Page.)

By John W. Dienhart.

Chicago's World Fair mayor will be either William Hale Thompson, Republican, or A. J. Cermak, Democrat.

The field of contenders was narrowed to these two yesterday when Coroner Herman N. Bundesen abandoned his desire to run as an independent.

TWO MINOR ENTRIES FILE.

Two other candidates filed during the day, but, like the several who ran in the primary election without organized support, they have no chance to win and they will not influence the result.

They and the party labels under which they filed are:

John M. Collins, 839 N. St. Louis av., Socialist.

Ernest Stout, 1463 Winnemac av., American National party.

Stout was also filed as a candidate of the "Government Employment and Homes" party.

With the lines thus clearly drawn the battle for the election, April 7, got under way almost at once. Judging from the opening attacks the campaign promises to be all that can be expected from the two political giants.

CERMAK COMMENDS ACTION.

Cermak, saying he was speaking as a citizen and not as a candidate, commended Dr. Bundesen for subordinating his ambition in favor of "the interest and welfare of Chicago in the present crisis." He conceded the coroner has ability and a large following and added:

"There is a big job before the citizens of Chicago. It calls for every ounce of manhood and womanhood, a clear explanation of the issues, but does not call for any befogging of these issues by misstatements, libels or false issues."

He said he hoped the citizens of Chicago would demand a campaign on issues—not personalities.

THOMPSON CONFIDENT.

Mayor Thompson, taking the baths, at Mount Clemens, Mich., contended Dr. Bundesen's with-

Turn to Page 4, Column 5.

CHICAGO ILL HER & EXAM
WEDNESDAY, MARCH 4, 1931.

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MAIN OFFICE

SPRINGFIELD ILL JOURNAL
SUNDAY, MARCH 1, 1931.

PAGE FOUR

CONVICTION OF CAPONE BEING HAILED

Chicago, Feb. 28. (AP)—Heartened by the conviction of the key man, Alphonse Capone, the agencies charged with enforcement of the law in Chicago pushed forward with renewed vigor in their fight on gangs.

In the criminal courts building where the county's wheels of justice grind, and in the federal building, where United States District Attorney George E. Q. Johnson and his assistants are driving relentlessly at the organized criminal element, a new spirit of enthusiasm and confidence was apparent.

Al Capone, the czar of all Chicago gangs, has at last been proved at variance with the law. "Public enemy No. 1" was found guilty of contempt of court by Federal Judge James H. Wilkerson yesterday and sentenced to six months in jail.

Prosecutors believed that the turning point had been reached in their battle against gangland, with the "big fellow," the one who had never been convicted in his home courts, finally under sentence.

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OFFICERS HONOR

1931 20

CHICAGO ILL HER & EXAM
MONDAY, MARCH 2, 1931.

EARST SQUARE MONDAY, MARCH 2, 1931 ★★ *Telephone Randolph 2121*

CHICAGO CURBING GANG POWER, SAYS RANDOLPH

CAPONE'S U. S. TERM HAILED AS VICTORY

Business Leader Predicts End of Al's Reign; Warns Against Age Pension Bills

BY COL. ROBERT I. RANDOLPH,
President Chicago Association of Commerce.

That Chicago, backed by the powerful forces of Uncle Sam, is consolidating its position for a major offensive against crime, is evidenced by the skirmishing of the last week.

Gradually but surely the anti-crime armies are advancing on several fronts, notably upon those which are being assailed by the federal prosecutors under the able leadership of United States Attorney George E. Q. Johnson.

AL'S IMMUNITY GONE.

The six months' sentence for contempt of court given Al Capone, public enemy number one, by Federal Judge Wilkerson is significant. Into this can be read a wide message to gangland from all anti-crime forces, that even the "immune leader" is no longer immune. **As plans are laid for attempts to secure an indictment of Capone for income tax frauds, along lines similar to those which have already sent several of his principal cohorts to jail, immigration authorities are taking steps toward the deportation of Tony ("Mops") Volpe, long a reputed member of the Capone syndicate.**

The forces for justice have won important encounters in the sentencing of Ralph Capone to a three-year prison term for income tax fraud and the sentences of Jake Guzik and Frank Nitti, as well as the conditional pleas of guilty entered by Terry Druggan and Frankie Lake, the beer barons.

VAGRANCY TRIAL NEXT.

The trial of Capone on vagrancy charges before Judge Padden on Wed[illegible] liam [illegible] ("Three-Fingered Jack") White's trial on the charge of killing a policeman, which is to begin Monday morning, is yet another.

Slowly, but certainly, the power of the gangsters and the criminal in Chicago is being curbed and the guilty are being placed behind bars.

OPPOSE AGE PENSIONS.

Payment of old age pensions as provided in bills now pending before the State Legislature, instead of promoting thrift would promote the opposite condition, in the opinion of the executive committee of the Chicago Association of Commerce.

The old age pension bills are regarded as only the forerunner of state insurance, with all the political manipulation and abuses coincident with such measures.

These bills would create a new tax levy to provide for funds for an Illinois old age pension law. Administration of the law would be subject to political manipulation and the result would be detrimental to business, industry and taxpayers in general, the association committee believes.

The danger of agitation for future increases in the pension fund in the event that the present bills are passed is also seen in the fact that the proposed increase, one-half mill on each dollar of assessed property valuation, would not create a sufficient sum to be of any real assistance, even if only the worthy cases could be recognized. Provisions of the bill now on the calendar at Springfield call for the maximum annual payment of $260 to dependent persons over 70 years old.

ILL TRIBUNE
, MARCH 5, 1931.

LOUIS ALTERIE JAILED BY U. S. IN CAPONE QUIZ

Charged with Perjury Before Grand Jury.

LOUIS ALTERIE.

Leland Varian, better known as Louis Alterie, former Chicago gangster who was a friend of the late Dean O'Banion, was arrested late yesterday on a federal warrant charging perjury in connection with his testimony before the grand jury, which presumably was investigating the income tax affairs of Al Capone.

Alterie, who returned to Chicago a short time ago from his ranch near Denver, Colo., here he has been in seclusion for several years, was served with the warrant issued by United States Commissioner Walker and locked up last night at the detective bureau.

U. S. Agent Signs Complaint.

Frank Wilson of the intelligence unit, internal revenue department, which is conducting the investigation of Capone's income tax matters, signed the complaint. Assistant United States Attorney Dwight H. Green, who is presenting evidence in the Capone case to the grand jury, was understood to have requested the warrant.

The specific allegation set forth in the complaint is that Alterie on Tuesday told the grand jurors that he had no financial interest in a Cicero gambling house owned by the Capone gang. The government investigators allege that they have definite proof that Alterie is interested in the place.

Although the federal authorities would not comment on the purpose of calling Alterie before the grand jury, it was believed that they sought information from him concerning Capone's profits from the gambling house. Capone's case is known to be under consideration by the jurors, and two managers of his gambling establishments were called as witnesses last week.

Five Years Maximum Penalty.

The maximum penalty for perjury is five years in the penitentiary and a fine of $2,000. Alterie was indicted by the government in 1924 in connection with the robbery of the Sieben brewery at 1466-76 Larrabee street, along with Johnny Torrio, pal of Capone, and Dean O'Banion. O'Banion was killed before he was placed on trial. Torrio served a nine months' sentence, and the case is still pending against Alterie. Originally there were thirty-eight defendants.

Alterie at one time controlled the Theatrical Janitors' union, and he brought back to Chicago recently by "Dapper" Dan McCarthy, labor racketeer, who is on the pay roll of the plumbers' union, according to police.

Slapped by Chief Stege.

Alterie once threatened to meet the slayers of O'Banion, his chieftain, at State and Madison streets and shoot it out with them. Former Chief of Detectives John Stege slapped Alterie's face once when the gangster was dragged out of the Midnight Frolics.

Alterie was indicted in 1924 for assault and robbery for his participation in the attack on three policemen in the Northern Lights café, which ended in the killing of John Phillips, one of the gunmen, by Policeman Frank Sobol.

READING PA EAGLE
SUNDAY, MARCH 1, 1931.

Crime

RENEWED VIGOR IN WAR ON GANGS

Conviction of Al Capone Heartens Chicago Law Enforcement Groups

Chicago, Feb. 28 (AP).—Heartened by the conviction of the key man, Alphonse Capone, the agencies charged with enforcement of the law in Chicago pushed forward with renewed vigor in their fight on gangs.

In the Criminal Courts Building, where the county's wheels of justice grind, and in the Federal Building, where United States District Attorney George E. Q. Johnson and his assistants drive relentlessly at the organized criminal element, a new spirit of enthusiasm and confidence was apparent.

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Turning Point Seen.

Prosecutors believed that the turning point had been reached in their battle against gangland, with the "big fellow," the one who had never been convicted in his home courts, finally under sentence.

In contrast with the years when the gang barons made their own law and enforced it, the government today was able to point to an impressive list of convictions and indictments. Most of the old-time rival gangs have been merged, driven out of town or killed off, so the list is made up almost entirely of the henchmen of "Scarface Al" Capone.

Ralph Capone, older brother of the portly leader, and a lieutenant in his liquor - gambling - vice syndicate, has been sentenced to three years in prison and fined $10,000 for income tax violations.

Gets Biggest Sentence.

Jack Guzik, Capone's business manager, received the biggest sentence so far for income tax fraud—five years.

Frank Nitti, known as the Capone "enforcer," is already serving an 18 months' sentence for dodging government taxes.

Tony "Mopes" Volpe, at one time Capone's bodyguard and more recently one of his executives, has been ordered deported to Italy.

Sam Guzik, brother of Jack, has been indicted, and two former beer barons, Frankie ~~Lake~~ and Terry Druggan, ~~have~~ entered conditional pleas of guilty to income tax charges.

The government has indicated it is just getting started on the income tax cases against those who have made millions and given none of it to the government. And it is no secret that the reputed great wealth of Al Capone himself has been under investigation for months.

Income Tax Case Looms.

Judge Wilkerson, in permitting Capone 30 days more of freedom on the contempt case to enable his attorneys to file an appeal, stipulated that unless his decision were reversed, Capone must start serving his term by July. This would keep him in jail until December, when the government hopes to have its income tax case against him ready to take before the grand jury.

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It is one of these warrants that brings Capone into court next Wednesday, "No. 1" on the list compiled by the Chicago Crime Commission. He will face Municipal Judge Frank M. Padden and attempt to prove he has a lawful occupation.

1931 20

CHICAGO ILL HER & EXAM
SATURDAY, MARCH 7, 1931.

QUIZ

tand

ts City

113,497

harged

$550,000 Income for Two Years Listed;

POSTS $25,000

G.O.P. Head Fights Fingerprint Ordeal;

(Picture on Back Page.)

Chris P. Paschen, city building commissioner and prominent Republican leader, was indicted by the federal grand jury yesterday on a charge of income tax evasion. The government holds he owes $113,497.03 taxes on his income for the years 1927 and 1928.

Less than an hour later the commissioner was arrested by a United States marshal as he stepped into the street from the Foreman State National Bank Building, La Salle st. and Washington blvd.

The admittedly unusual arrest, termed "outrageous and preposterous" by Mr. Paschen's attorney, created a sensation in the federal building.

Action Comes as Surprise

It had been announced previously by the assistant United States dis[illegible]eys in charge of the in[illegible]osecution that the building commissioner would be allowed to surrender at his convenience some time next week.

But the government prosecutors did not reckon with Deputy Marshal Joseph Spizzerri. When the bench warrant, issued as a matter of form by Federal Judge Charles E. Woodward, reached the marshal's office, Spizzerri raced from the federal building to the city hall in search of the building commissioner.

Mr. Paschen was not there, but Spizzerri noticed his limousine parked in front of the bank building. He waited there until the commissioner, accompanied by Henry Paschen, his brother, walked toward the car.

"Mr. Chris Paschen, you are under arrest," said the deputy, displaying the warrant.

Paschen Bewildered

The astounded building commissioner hardly had time to comprehend before he was ordered to accompany the deputy to the marshal's office at once.

The deputy made two concessions. One was that the trip could be made in Mr. Paschen's car and the her that the commissioner could interrupt the journey long enough to pick up his bondsman, O. W. Hulke of the National Union Surety Company.

Fingerprints Demanded

At the marshal's office, however, Deputy Spizzerri was less considerate of his prisoner.

"We will have to take your fingerprints," he said.

"But you have no right," protested Mr. Paschen.

"It's my duty," insisted the deputy.

At this point Joseph O'Callaghan, Mr. Paschen's attorney, made a strategic entrance. He informed the deputy that the government cannot legally fingerprint a prisoner until after a conviction. Deputy Spizzerri admitted the truth of that.

Mr. Paschen was then escorted to the bond office for approval of his surety company bond of $25,000 and then to Judge Woodward.

After this proceeding, Deputy

$70,495.60.

Paid But $818 in 1928

The building commissioner's income tax return for 1928 set forth an income of $30,267.44. He deducted $1,653.23 and paid a tax of $818.

His 1928 return read:

Business	$ 982.05
Interest on bank deposits, etc.	2,356.56
Bond interest	3,167.32
Rents	5,305.00
Dividends	18,486.51

The government asserts that instead of an income from his business of $982.05 Paschen actually received $304,171,17 from that source in 1928.

The government does not challenge his figures for 1928 on dividends and bond interest. Strangely, it credits him with a lower rent income than he filed on, the government figure being $4,929.79 instead of $5,305. It claims his income from bank deposits interest was $2,930.75, which is less than $600 more than he filed on.

Attaches of United States Attorney George E. Q. Johnson's office declared that Commissioner Paschen's income has been under investigation for almost two years, most of the work being done by investigators under A. P. Madden, chief of the intelligence unit of the revenue department.

Dwight Green and Jacob I. Grossman, assistant district attorneys, presented the case to the grand jury.

There were indications that Commissioner Paschen's defense will center around finances of his farm, Paschendale. He will claim, it was said, that he has sustained terrific losses in operating the farm.

GETS VENEZUELAN POST

FIND PASCHEN PAID BUT $818 IN TWO YEARS

02

Federal Agents List $158,000 Business Income in 1927; Official Reports a Loss

Spizzeri again insisted that it is his "duty" to take Mr. Paschen's fingerprints. This caused another argument—which the deputy again lost.

It was pointed out that the building commissioner not only narrowly escaped having his fingerprints taken, but almost as narrowly escaped having to spend the night in the marshal's jail. Had he been arrested ten minutes later the bond office would have been closed and the judge gone for the day.

Mr. Paschen left the Federal Building in the best of spirits, however, although he was plainly angered at the treatment to which he was subjected.

The third politician to be indicted on an income tax charge since the start of District Attorney George E. Q. Johnson's campaign against politicians and gangsters, Commissioner Paschen is the first to be placed lnder arrest.

The other two, Gene Oliver, county assessor, and State Representative Lawrence C. O'Brien, now under sentences, were permitted to surrender with their attorneys at dates they set.

Even Judge Surprised

Judge Woodward was among those to indicate astonishment at the procedure. Assistant Prosecutor Dwight Green refrained from commenting except to say he was "surprised," although one government attorney in the case joined Mr. Paschen's attorney in calling the incident "outrageous."

H. C. W. Laubenheimer, the marshal, was asked if it was not unusual for his office to thus arrest a "prominent political leader."

"No, I don't think it is," he said. "When we get a warrant to arrest any one, why, we do it as soon as we can." He added, as an afterthought:

"And, anyway, I do not consider Mr. Paschen a prominent figure."

[illegible] and Commissioner Paschen, members of rival Republican factions, have opposed each other for control of the Forty-ninth Ward, in which both reside.

It was observed that while his deputy was insisting that Commissioner Paschen undergo the indignity of fingerprinting, Marshal Laubenheimer was absent from his office, but appeared immediately afterward.

$550,000 Income Charged

The indictment of the building commissioner asserts that for the two years he had a taxable income totaling $550,668.55.

Paschen's income for 1927. the government alleges, amounted to $234,240.99 on which a tax of $43,001.43 is claimed.

In his tax return for that year Paschen stated that his income was $5,108.19 and under exemptions allowed him for his family he paid no tax.

Lists Business Loss

His return, according to the indictment, was:

Business loss of	**$15,150.46**
Rents and royalties	**1,925.00**
Stock dividends	**18,333.65**

The government claims that his return should have read:

Business	**$158,410.29**
Interest on bank deposits, etc.	**11,381.50**
Rents and royalties	**4,427.05**
Security sales	**40,892.86**
Stock dividends	**19,129.29**

For 1928, the government asserts, Paschen enjoyed an income of $333,685.54 on which the tax, after de-

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GETS VENEZUELAN POST

1931 20

CHICAGO ILL TRIBUNE
SATURDAY, MARCH 7, 1931.

U. S. Indicts and Arrests Paschen

ESTION OF LIFE OR DEATH

Quarrel Over

03

DODGING INCOME TAX IS CHARGED TO CITY OFFICIAL

Accused of Failing to Pay $113,000.

(Picture on back page.)

~~Christian P. Paschen~~, city building commissioner in Mayor Thompson's cabinet, was arrested in the street by a deputy United States marshal late yesterday 30 minutes after he had been indicted by the federal grand jury on charges of attempting to evade $113,497 in income taxes.

Paschen was getting into his automobile in front of the Foreman National Bank building when Deputy Marshal Joseph Spizzirri arrested him on a bench warrant issued by Federal Judge Woodward.

"You can't arrest me," Paschen protested. "My bond is ready at the federal building and I'll go over and surrender."

"You're going with me," said Spizzirri. "I have a warrant for your arrest, and it doesn't make any difference who you are; I must perform my duty."

Freed on $25,000 Bond.

Paschen escaped the possibility of spending the night in jail by a few minutes. It was shortly after 5 o'clock when he reached the federal building, but Judge Woodward had not left. A $25,000 surety bond for his release, signed by the National Union Surety company of Philadelphia, was approved by Judge Woodward, and then Paschen was taken to the marshal's office to have his finger prints taken.

Deputy Marshal James Nordsick, in charge of the Bertillon department, was about to proceed with the finger printing, but Paschen's attorney, James A. O'Callaghan, who had appeared in the building simultaneously with the defendant, objected. He pointed out that under the law a man cannot be finger printed without his permission until he has been convicted, and the proceeding was waived.

Indicted on Four Counts.

Paschen was named in four counts, charging willful attempts to defeat and evade the payment of income taxes, the maximum penalty on any one count, upon conviction, being five years in the penitentiary and a fine of $10,000. Two of the counts are based on the alleged evasion of taxes for the year 1927, and the other two for 1928.

The true bill charges that Paschen tried to evade payment of $43,001.43 on his income taxes for 1927, based on his alleged income of $234,240.99; and that he attempted to defeat payment of $70,495.60 in taxes for 1928, when his income allegedly was $333,685.54.

His Tax Return for 1927.

It is alleged that his return for the year 1927 claimed a gross and net income of $5,108.19, derived as follows:

Income from business or profession [Loss]	$15,150.46
Rents and royalties	1,925.00
Dividends on stock	18,333.65

This return, it is charged, showed no tax due, Paschen being a married man with two dependents.

For the year 1928, according to the indictment, Paschen filed a return showing a gross income of $30,267.44, derived as follows:

Income from business or profession	$ 982.05
Interest on bank d[illegible]ts, notes, bonds, etc.	2,326.56
Interest on tax free c[illegible]nant bonds	3,167.32
Rents and royalties	5,305.00
Dividends on stocks	18,488.51

This return, after making deductions, showed a net income of $28,614.21, with a tax due of $818, the true bill alleged.

Charges $234,240 Gross Income.

The indictment itemizes Paschen's alleged gross income of $234,240.99 for 1927 as follows:

Income from business or profession	$158,410.29
Interest on bank deposits, notes, bonds, etc.	11,381.50
Rents and royalties	4,427.05
Profits from sale of real estate, stocks, bonds, etc.	40,892.86
Dividends on stocks	19,129.29

For the year 1928, Paschen's alleged gross income of $333,685.54 is itemized as follows:

Income from business or profession	$304,171.17
Interest on bank deposits, notes, bonds, etc.	2,930.75
Interest on tax free covenant bonds	3,167.32
Rents and royalties	4,929.79
Dividends on stocks	18,486.51

In Contracting Business.

Besides his activities as city building commissioner, Paschen is head of Chris Paschen & Co., tuck pointers,

X

U. S. Indicts and Arrests

UESTION OF LIFE OR DEATH

Quarrel Over

and a member of the firm of Paschen Bros., Inc., contractors.

The indictment of Paschen culminated an investigation that began more than a year ago in United States Attorney Johnson's income tax assault on hoodlums and grafting politicians, which has resulted in the conviction of County Assessor Gene Oliver, State Representative Lawrence C. O'Brien, and such notorious gangsters as Ralph Capone, Jack Guzik, Frank Nitti, Terry Druggan and Frankie Lake, the latter three having pleaded guilty.

The investigation was carried on by agents of the special intelligence unit, internal revenue bureau, headed by A. P. Madden, and by revenue men under C. W. Herrick, agent in charge, whose work was praised by the district attorney. Assistant United States Attorneys Dwight H. Green and Samuel G. Clawson presented the case to the grand jury.

Hearings in Washington.

Paschen made frequent trips to Washington, where hearings on the investigation of his case were held before the general counsel of the revenue bureau, according to reports. A final hearing was given to Paschen's attorneys on Feb. 20 by District Attorney Johnson and his assistants.

Charges that bribes were solicited and paid in the office of Building Commissioner Paschen were made in a civil suit last April. Jules K. Massee, a draftsman, testified that $50,000 had been paid for the approval of building plans.

Paschen has been under fire in various other official proceedings, chief of which was the Cuneo tower case. The building commissioner refused to revoke a permit for the proposed 60 story tower when he was ordered to do so by a mandate of the city council. An ordinance was passed commanding him to revoke the permit, but Paschen still balked. He refused to revoke the permit even after the corporation counsel had ruled that it was his duty to do so, and the permit was not revoked until the Supreme court declared invalid the amendment to the city ordinance under which it had been granted.

Forms Republican Club.

In 1927 Paschen sent letters to virtually all Chicago builders notifying them that they had become members of the William Hale Thompson Republican club. The builders later were notified that the initiation fee was $100. They did not complain, fearing, some of them said, that their business would be ruined.

Paschen's indictment brings District Attorney Johnson's determination to expose "a cross section of official gangsterism" a step nearer to realization. He has exposed corruption in the sanitary district through the indictment of a number of contractors; he reached into the County building with the conviction of Tax Assessor Gene Oliver, and into the state legislature with that of Representative O'Brien.

WOMEN TO WAIT TWO MONTHS TO

1931 20

CHICAGO ILL DA
SATURDAY, MARCH 7, 19

PASCHEN ARREST SWELLS LIST IN U. S. TAX DRIVE

Indictment Result of Long Investigation by Revenue Unit.

CHARGES $113,497 DUE

Arrest of Christian P. Paschen, city building commissioner and long a close ally of Mayor Thompson, immediately after his indictment by the federal grand jury for income tax evasion, today had added another prominent figure to the steadily growing list of politicians and under world principals who have been caught in the vigorous campaign being conducted by District Attorney George E. Q. Johnson.

Paschen, who is charged with owing the government $113,497 in income taxes for 1927 and 1928, was seized by Deputy Marshal Joseph Spizerri a few minutes after Federal Judge Charles E. Woodward issued a bench warrant for his arrest.

Escapes Fingerprint Ordeal.

The Thompson leader narrowly escaped having his fingerprints taken and he likewise was spared the possibility of spending the night in jail by two fortuitous events. One was the timely arrival of his attorney, James O'Callaghan, in the Bertillion office of the federal building, just as Deputy Marshal James Norsdick was preparing to ink Paschen's fingers.

The attorney objected to the legality of finger-printing his client before a conviction. The ceremony was abandoned.

Paschen escaped spending the night in the marshal's lockup by a ten-minute interval. Permission had been granted him, however, to make bond arrangements, and a $25,000 surety bond for his release issued by the National Union Surety Company was approved by Judge Woodward shortly before the ju left his chambers for the day.

The building con ner's indictment followed a vestigation carried on by th l intelligence unit of the revenue bureau, headed by A case was pres by

alleged att mpts payments in 1927 a vides a possible m penalty of five years' impri and a $10,000 fine.

Paschen is charge owing a tax of $43,001.43 for n a gross income of $234,240.99, $70,495.60 tax for 1928 on an i of $333,685.54.

The indictment charges that he made a return for 1927 indicating that his actual income was only $5,108.19 and claimed no tax due under exemptions allowed him for his family. In 1928, the indictment alleges, Paschen made returns showing a net income of $28,614.21 and paid a tax of $818.

BOY, 7, FIGHTS FOR LIFE

1931 20

CONSOLIDATED
PRESS CLIPPING
BUREAUS
CHICAGO, U.S.A.
SOUTHWEST DIVISION
KANSAS CITY

Crime

Kansas City, Mo. Star
MAR. 1, 1931 M3

WAR ON GANGS GOES ON

CHICAGO DEPORTS 125 ALIENS, INCLUDING CRIMINALS.

Meanwhile, the Government Makes Plans to Proceed Against Al Capone on Income Tax Evasion Charge.

CHICAGO, Feb. 28.—The federal government's war on hoodlums and undesirables progressed along two fronts today. While immigration authorities were loading 125 aliens, including three known criminals and three brothel keepers, on a deportation train, progress was reported in the development of an income tax case against Al Capone, public enemy No. 1.

The sentencing of Capone to six months in jail in contempt of court was followed by the testimony before the grand jury of two of his gambling house managers as to his share of the profits. The chief public enemy, who has paid no income tax, has been under investigation for more than a year, and the same course which resulted in the indictment and conviction of three of his leading henchmen, Jack Guzik, Frank Nitti and Ralph Capone, is being followed by United States Attorney George E. Q. Johnson.

MAY GO TO LEAVENWORTH.

Witnesses in the Capone case have gone before the grand jury at intervals since the inquiry began, their testimony going on record and accumulating in the gradual perfection of a case that will maintain Mr. Johnson's "100 per cent" record in income tax prosecutions, according to reports.

That Capone's conviction of contempt of court will be disposed of by the circuit court of appeals before July was regarded as a certainty by federal officials and it was stated on reliable authority that before he gets out of jail he will be indicted on the income tax charge, with the prospect of a long term in Leavenworth prison.

A VAGRANCY CHARGE, TOO.

Capone will appear before Federal Judge James H. Wilkerson Monday to post an appeal bond in his contempt case, and Wednesday he is scheduled to appear before Judge Frank M. Padden on a vagrancy charge.

"Mops" Volpe, public enemy No. 2 on the crime commission list and one of Capone's captains, who has been named in a deportation warrant issued by the secretary of labor, did not accompany the 125 undesirables who left tonight for New York, whence they will be deported.

Volpe's warrant did not come through and his attorney plans to sue out a writ of habeas corpus which will delay his departure for several months if the case is appealed.

(By The Star's Leased Wire Service.)

CHICAGO ILL DAILY NEWS
SATURDAY, MARCH 7, 1931.

U. S. TO DIG INTO FUND DRIVES AT PASCHEN'S TRIAL

Campaign to Get Cash from Contractors for Thompson Aid Recalled.

COURT ACTION LISTED

Government prosecutors will turn the spotlight on drives for campaign funds and for political club memberships and the disposition of these funds by Christian P. Paschen, it was learned today, when the city building commissioner is tried on the charges of income-tax evasion, for which he was indicted by a federal grand jury late yesterday.

Although there was no announcement from United States District Attorney George E. Q. Johnson, it was learned that Jacob I. Grossman, who recently won a contempt conviction against "Scarface Al" Capone, and Dwight H. Green and the newly appointed Samuel G. Clawson will be the assistant district attorneys who probably will try the case.

Federal agents, it has been found, went delving back into Paschen's political activities. Chris Paschen comes from a family long stalwart in democratic circles. Two brothers are still democrats and Clayton Smith, county recorder, is a brother-in-law.

He Switches to Thompson.

But when William Hale Thompson announced his candidacy for mayor some four years ago Chris Paschen enlisted in the ranks of his followers. He is widely acquainted among voters of German descent and was credited with having given great aid to Thompson in that quarter.

When Thompson was elected and the spoils were being divided, announcement was made that Paschen, who came from a family of building contractors and tuck pointers, had ben appointed building commissioner.

Funds Asked for Thompson Club.

On Nov. 8, 1927, a few months after the mayor had taken office, building contractors of the city were unpleasantly surprised to receive a letter on the stationery of Paschen Bros., general contractors, 111 West Washington street.

The letter read:

"The building commissioner, Mr. Christian P. Paschen, will appreciate it very much if you would kindly mail check immediately for membership ticket No. — for the William Hale Thompson Republican Club, due to the finance committee having a meeting Wednesday afternoon.

"Please mail the check direct to me.

"Paschen Brothers, per D. J. O'Connell."

Later the contractors were told over the telephone the cost of membership in the club was $100. There are about 1,000 contractors in Chicago, whose activities may be affected by the attitude of the building commissioner.

O'Connell, who signed the letter, is known as Paschen's secretary and is now his candidate for alderman in the 49th ward.

History Award Recalled.

There may be a coincidence, or there may not, but on the following day Mayor Thompson announced that the America First Foundation—an outgrowth of the "poke King George in the snoot" campaign—was offering a $10,000 prize for a new history

(Continued on Third Page.)

TWO KILLED, THREE HURT,

1931 21

as approved by Judge Woodward hortly before the jurist left his hambers for the day.

May Face Prison.

Each of the four counts in the indictment against Paschen, two for alleged attempts to defeat and evade payments in 1927 and two in 1928, provides a possible maximum penalty of five years' imprisonment and a $10,000 fine.

Paschen is charged with owing a tax of $43,001.43 for 1927, on a gross income of $234,240.99, and a $70,495.60 tax for 1928 on an income of $333,685.54.

The indictment charges that he made a return for 1927 indicating that his actual income was only $5,108.19 and claimed no tax due under exemptions allowed him for his family. In 1928, the indictment alleges, Paschen made returns showing a net income of $28,614.21 and paid a tax of $818.

ENGLISH PRIMATE TO SAIL

1931 21

U. S. TO DIG INTO FUND DRIVES AT PASCHEN'S TRIAL

(Continued from First Page.)

which would meet the approval of Thompson and his followers.

The $10,000, it was announced, had been donated by Chris Paschen. So far as the public can recall, no author ever got the $10,000.

Every few months during Paschen's regime as commissioner has come a civil suit against him. For instance, there was the suit in July, 1929, of Miss Bernice Olson, who charged that the commissioner conspired with officials of the bricklayers' union to force a contract on two buildings being erected by Miss Olson to pay $1,400 due men who had worked for him on other jobs and that work on the Olson buildings was halted by the building department to force the issue.

And in April, 1930, there was a civil suit before Judge Marcus Kavanagh in which an architect was suiing a contractor for fees.

Jules M. Maase, bringing suit against Victor Nelson, a builder, asked $2,658 on a note given for plans drawn for a building. Nelson's defense was that the plans were faulty, not meeting the requirements of the city building code, and that he had been notified he would have to pay $10,000 into "Mr. Paschen's campaign fund" before the building department would approve the plans.

William Nichols, who later ran afoul of the government in an income-tax case, was named as the man who had asked for the "campaign contribution."

Paschen, who is charged with owing the government $113,497 in income taxes for 1927 and 1928, was seized by Deputy Marshal Joseph Spizerri a few minutes after Federal Judge Charles E. Woodward issued a bench warrant for his arrest.

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ENGLISH PRIMATE TO SAIL

UBWAY ROUTE

21

CHICAGO ILL POST
SATURDAY, MARCH 14, 1931.

DE-GRAFTING THE PUBLIC CONTRACT

03

When United States District Attorney George E. Q. Johnson cited thirteen specific examples of graft in public works contracts in his address before the Better Business bureau, he confirmed a suspicion and drew attention anew to a weakness. The suspicion thus substantiated is that awards of this nature in the Chicago area have for some time been given on a basis which involves the payment of bribes at the decided expense of the taxpayer. The weakness depicted is the legal inability to cope with a system of graft and corruption which exists in a varying degree in every large city and dates back to the days of the Tweed ring in New York and earlier.

The unnamed awful examples cited occurred between 1922 and 1928 and were discovered during the federal investigation of income tax frauds. Their antiquity, therefore, places their beneficiaries under the shelter of the statute of limitations, but their value as a warning to the public exists as clearly as if they were newly presented evidence for grand jury action. The indicated bribes for the various jobs ran from $15,000 to $300,000, and the proportion of profits to actual construction expenses shows very clearly that one reason given for high costs on jobs of this nature is a pure smoke screen. The wage scales for Chicago and vicinity may be above those prevailing in other parts of Illinois, but the differences are modest, unassuming and even insignificant in proportion to the contractors' profits.

Mr. Johnson asserted that "in the history of Chicago, the years from 1922 to 1928 will be known as the corrupt era." The suggestion here is that there has been a certain degree of improvement since then and that the change in the prosecuting authorities of the county, which took place at that time, was not without its benefits. But, nevertheless, a bad legal situation remains, for "in this state, crimes of this kind can be committed with impunity unless a co-conspirator should confess."

The problem of successful prosecution which is thus presented merits the closest analysis in order that the legal loopholes may be eliminated. The district attorney's remedy is the creation of a state bureau of audit and control, which would have the power to investigate the records of all public contracts; but this in our opinion is not without its defects. As long as state and city administrations were allied with hostile political factions the bureau might work, but in the case of a complete harmony and accord in a campaign of graft and corruption it would only add a few more names to the pay roll.

In the last analysis, the biggest check that can be placed upon the activities of grafting or negligent public officials and their appointees is the election of honest and efficient men in their place. That is a job for the individual voter, and as long as he allows himself to be led astray by false issues and oratorical sideshows, his lack of civic common sense brings its own expensive punishment.

SPRINGFIELD ILL REGISTER
SUNDAY, MARCH 1, 1931.

(Continued on Col. 3, Part 1)

OFFICIALS SEE TURNING POINT IN GANG FIGHT

Chicago Law Enforcement Agencies Push Forward With Renewed Vigor

9

CHICAGO, Feb. 28—(A.P.)—Heartened by the conviction of the key man, Alphonse Capone, the agencies charged with enforcement of the law in Chicago pushed forward with renewed vigor in their fight on gangs.

In the criminal courts building where the county's wheels of justice grind, and in the federal building, where U. S. District Attorney George E. Q. Johnson and his assistants are driving relentlessly at the organized criminal element, a new spirit of enthusiasm and confidence was apparent.

Prosecutors believed that the turning point had been reached in their battle against gangland, with the "big fellow," the one who had never been convicted in his home courts, finally under sentence.

In contrast with the years when the gang barons made their own law and enforced it, the government today was able to point to an impressive list of convictions and indictments. Most of the old-time rival gangs have been merged, driven out of town or killed off, so the list is made up almost entirely of the henchmen of "Scarface Al" Capone.

SCRANTON (PA) TIMES
FRIDAY, MARCH 6, 1931.

FOE OF GANG GROUPS

Chicago, March 6 (CPA).—One man, rather slight of stature, modest and soft-spoken in manner, suggesting the professor rather than the prosecutor, an earnest churchman, but fearless, determined and intensely thorough, has the powerful potentates of the underworld quaking today.

He is George E. Q. Johnson, federal district attorney for the northern district of Illinois. Seven times Mr. Johnson has made sallies against the men who sit with immunity on gangland thrones and seven times he has knocked them off. Where 6,000 Chicago police and detectives, a whole phalanx of prohibition agents, vigilante organizations of citizens and local prosecutors have been largely ineffective, this official has scored with results.

CHICAGO ILL TRIBUNE
SUNDAY, MARCH 8, 1931.

1931 21

SET EARLY DATE FOR TAX APPEAL OF RALPH CAPONE

Oral arguments in the appeal of Ralph J. Capone, brother of Scarface Al, who is under sentence to three years at Leavenworth penitentiary for income tax evasion, were set for April 15 by Presiding Judge Samuel Alschuler of the United States Circuit Court of Appeals yesterday.

April 15 is the second day of the April term of the Appellate court, and the early date set for the hearing on the Capone case, which followed a motion of Assistant United States Attorney Jacob Grossman, indicates that the case will be disposed of in May.

If the conviction is upheld and Al Capone loses his appeal from his six months' sentence for contempt of court the brothers should go behind the bars by summer, federal authorities said.

Contingent on the appeal of Ralph Capone are the cases of Terry Druggan and Frankie Lake, who pleaded guilty with the privilege of changing their pleas as to felony counts if the Capone appeal and that of State Representative Lawrence C. O'Brien are successful.

CONSOLIDATED PRESS CLIPPING BUREAUS
CHICAGO, U.S.A.
431 SO. DEARBORN ST.
MAIN OFFICE

Crime

FOSTORIA OHIO REVIEW
MONDAY, MARCH 2, 1931.

GANGS ON RUN AS CHICAGOANS GET U. S. HELP

8

CHICAGO, March 2.—With the help of the government, Chicago will at last be able to rid itself of the criminal gangs that have infested its highways and byways, penetrated into social and political structure, and brought on deplorable conditions.

This view held by Col. Robert I. Randolph, president of the Chicago association of commerce, was voiced by him today in a statement bearing on the first offensive taken by the law and order forces last week.

Anti-Crime Attacks

"Gradually but surely" he said, "the anti-crime armies are advancing on several fronts, notably upon those which are being assailed by the federal prosecutors under the able leadership of United Sattes Attorney George E. Q. John son.

"The six months se r contempt of court given Al Capone, public enemy number one, by Federal Judge Wilke son is significant .Into this can be read a wide message to gangland from all anti-crime forces, that even the "immune leader" is no longer immune.

Fostoria Branch

1931 21

1931 22

CH 16, 1931.

PASCHEN STAFF QUESTIONED BY SPECIAL JURY

Galpin Summoned for Tomorrow; Validity of Panel Upheld.

Civil service employes of the city's building department, presided over by Commissioner Chris Paschen, were questioned today by the special grand jury originally impaneled to inquire into alleged corruption in Cook county's law-enforcing agencies. The jury this afternoon summoned Solly Vision, "secretary" of the slain Jack Zuta Vision has been sought since the Zuta murder and was arrested today.

Commissioner Paschen is now under federal indictment for violation of the income-tax laws and the investigation of his department is believed to be a co-operative move by United States Attorney George E. Q. Johnson and the county authorities.

The grand jury action also is believed to be a forerunner of the scheduled appearance tomorrow of Homer K. Galpin, former Thompson political leader, who is reported in the city hall to have returned from flight to handle the mayor's present campaign for re-election.

The city employes were being asked whether they had been forced to contribute to campaign funds in order to hold their jobs.

Vision, a pal of Jack Zuta, was evasive when questioned by the grand jury. He was taken before Chief Justice McGoorty, who, after hearing the questions, ordered the racketeer to answer them. Vision was given a few moments to confer with his lawyer before being returned to the jury-room.

Jury Validity Upheld.

Validity of the jury was sustained today by Chief Justice John P. McGoorty.

He refused to disband the inquisitorial body on the plea of an attorney. Such action, said the judge, would be a "civic calamity" and a "recognition of defeat."

The plea for abandonment was made Attorney Harold Levy, representing Mrs. Shirley Kub, undercover investigator of police, who on Friday was sentenced to four months in the county jail for fleeing from the jurisdiction of the jury after prosecutors had delved into her private life.

Mrs. Kub, called into Judge McGoorty's court with the entire grand jury present, volunteered to answer any "relevant" questions that might be asked. Her attorney announced he would seek her release on

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CHICAGO ILL HER & EXAM
MONDAY, MARCH 16, 1931

Johnson Praise for Crime D

District Attorney Georg Johnson's work in ridding of criminals will be comme a resolution addressed to hi by the Young People's Civi cil.

The resolution conveys th ciation of the young peopl partisan group in Chicago Johnson's "integrity and service in cleansing the con of criminals."

22

BOSTON TRANSCRIPT
FEB 28 1931

Crime

Jail Sentence Makes Capone Fighting Mad

Officials in Chicago Profess to See Beginning of the End of His Career

Chicago, Feb. 28 (A.P.)—Though he seemed to be stunned by the severity of the six months' jail sentence imposed in Federal Court yesterday for contempt, "Scarface Al" Capone was in a fighting mood today, with his hope pinned in a thirty-day stay of execution and an appeal by his attorneys to the Circuit Court of Appeals. Meanwhile he is free under a $5000 bond, which will have to be renewed in Federal Court on Monday. Federal officials profess to see, in his conviction, the beginning of the end of his power and prestige.

Having failed to convince Judge Wilkerson of the truth of his story that he was too ill to come from Florida in the winter of 1929 to appear before the grand jury investigating incomes, Capone long known as the "big fellow" of the gangster business, faces not only the fight on the appeal, but an appearance in Criminal Court Wednesday for vagrancy.

"I shall be glad to try Capone for vagrancy," said Harry Ditchburne, assistant State's attorney. "He has had no legitimate occupation for years."

The sentencing of Capone—an unprecedented action in Chicago—was but one of other developments that came thick and fast in gangland circles. Tony ("Mopes") Volpe, reputedly Capone's chief lieutenant, was ordered deported to Italy by the Department of Labor at Washington. Judge Joseph Sabath announced the trial of Leo V. Brothers, St. Louis, accused of slaying Alfred Lingle, Tribune reporter and friend of Capone, will be postponed on Tuesday to make way for William ("Three Finger") White's second trial for the murder of a policeman.

While the Capone sentence brought gloom to "Scarface Al," it was just another victory in the 100 per cent record of United States Attorney George E. Q. Johnson, in prosecuting Capone gangsters. His victories included the sentencing of Al's brother, Ralph, to three years; the imprisonment of Frank Nitty, known as "the enforcer," for eighteen months; the conviction of Jack Gusick and the indictment of Sam Gusick, all for income tax evasion.

If, and when, Capone goes to jail, it will not be a new experience for him as he was held, almost a year, in Pennsylvania for carrying a concealed weapon in 1929. In the Cook County jail "he will be treated just like any other prisoner," says Sheriff William D. Myering.

U—B

PUTS TAX LAWS ON GANGSTERS

U. S. Official in Chicago Finds Way to Beat Them

Chicago.—(AP)—George E. Q. Johnson, United States district attorney, has found one way to rid Chicago of gangsters—a task that police and state courts had undertaken with scant success.

Only one method has been more successful than that originated by the federal prosecutor for northern Illinois. This was the one employed by the gangsters themselves.

Johnson is entering upon a second four-year term as district attorney. He will continue to use income tax laws to decimate ranks or racketeers and gangsters.

George E. Q. is a slender little man with a shock of unruly hair. Calm, scholarly, somewhat dreamy eyes benevolently peer out through bowed spectacles.

But this son of a Swedish immigrant is thorough—so thorough that Frankie Lake and Terry Druggan, playboy beer peddlers, pleaded guilty to income tax frauds after hearing what their lawyers had to say about the indictments.

Many Others Convicted

The district attorney also convicted Ralph Capone, brother of the notorious Al; Jack Guzik, a sort of Capone chief of staff; Lawrence C. O'Brien, a state legislator, and Gene Oliver, a county assessor. Frank Nitti, called the Capone "paymaster," also pleaded guilty to tax evasion.

Few had heard of Johnson when Senator Charles Deneen selected him for the Chicago post. He had been lawyer enough, however, to earn in excess of $30,000 a year. The federal job pays only $10,000.

"I will talk with indictments and verdicts," he commented. For two years he didn't do much of that. When he brought Ralph Capone to trial for tax evasion, most of Chicago yawned. Capone, adjudged guilty, was given a prison term. The yawn became a cheer.

Take away a gangster's immunity—freedom from conviction, and ability to save others from conviction, and his dominion slips away, said Johnson.

Iowa Farm Boy Is Shrewd

Johnson had spent 20 months studying how to use the tax law to whip booze runners,' beer peddler graft profiteers. When the little ma with the ascetic appearance and quiet voice questioned them, some of them boasted of their earnings. These were checked with banks and revenue records. The Iowa farm boy had outwitted the "big shots."

The prosecutor is 49. He was born on a farm in Webster county, Ia. His father came from Smaland province, Sweden, in 1867.

Johnson's "George" becam "George Emerson" when he was 2 There were too many George Joh sons in that Iowa community.

When he arrived in Chica

1931 22

GANGSTER IS NAMED AS CHIEF OWNER

American 3/12/31

Contempt of court proceedings will be instituted against Ralph Capone, brother of the gang czar, as a result of the raid early today on the Cotton Club, Cicero night life spot, federal prosecutors announced.

The party of prohibition agents and deputy United States marshals, which made the raid, cut into a safe at the club with an oxy-acetylene torch and seized a mass of documents by which they hope to prove that Capone is actually the owner of the club. He has denied it in Federal Court proceedings.

INDICTED LAST FALL.

Capone was indicted with sixteen others last November, charged with violations of the prohibition act in connection with the club. He was also named as one of the proprietors in the temporary injunction issued against the place last Spring.

The raiders seized drinks on the tables of patrons and a pint of whisky in the manager's office. The possession of any quantity of liquor, or the countenancing of its use on the premises, is a violation of the temporary injunction which may be punished as contempt of court, according to Victor E. La Rue, assistant United States attorney.

HAVE OTHER PROOF.

La Rue also said that, regardless of the value of the documents seized in the safe today the government already has proof that Ralph Capone is one of the proprietors of the Cotton Club.

He called all of the agents who made up the raiding party to his office and took statements from them as soon as he reached the Federal Building today.

The raiders arrested the night club manager when they found a pint of liquor in his office, and obtained information, they asserted, that Al Capone had given a champagne party at the club last night which broke up only a short time before the raiders arrived.

HUNTED MAN FLEES.

The real purpose of the raid on the club, which is at 5342 W. Twenty-second st., was to find a man charged with having disarmed a prohibition agent and a Chicago policeman last week, it was stated.

Jack Karron, 24, doorman at the club, is already in $5,000 bonds on a charge of interfering with a federal officer, but the gunman who held up Roy M. Budd, the agent, and Dan Coakley, a policeman attached to the prohibition bureau, while Karron collected their guns and called the Cicero police escaped. He was not at the club last night.

Six prohibition agents and United States Deputy Marshals Joseph O'Neill and Joseph Spizzirri, who had a John Doe warrant for the man who had held up Budd and Coakley, together with those two men, made up the raiding party.

Louis Spielman, 6383 Sheridan

Continued on Page 2, Column 2.

COTTON CLUB IS RAIDED AGAIN

Continued From First Page.

road, the manager, met the party at the door, demanding their authority for entering the place. He admitted them when they showed him the warrants. The raiders found a score of patrons still in the place, along with a number of girl entertainers and the members of the floor show.

FIND SOME LIQUOR.

They found two pints of gin beneath one table and three unconsumed highballs on top of another, which they confiscated, and then went into the office of Spielman. There they found a pint of whisky. They then placed Spielman under arrest. He was to be arraigned before United States Commissioner Edwin K. Walker later in the day, charged with possession of liquor.

DRILL SAFE OPEN.

The most important find, however, was a small safe in the office of the club. Spielman refused to open it, so the agents summoned Daniel Mason, a safe expert attached to the prohibition bureau. He and a crew of men arrived with an oxy-acetylene torch and after an hour's work, cut the door of the safe open.

In it the agents

1931 22

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CHICAGO ILL HER & EXAM
MONDAY, MARCH 16, 1931.

Johnson Praised for Crime Drive

District Attorney George E. Q. Johnson's work in ridding Chicago of criminals will be commended in a resolution addressed to him today by the Young People's Civic Council.

The resolution conveys the appreciation of the young people's non-partisan group in Chicago for Mr. Johnson's "integrity and splendid service in cleansing the community of criminals."

22

STO ANSCRIPT
28 1931

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(A.P.)—Though he by the severity jail sentence imposed yesterday for contempt, Capone was in a fighting with his hope pinned in a stay of execution and an his attorneys to the Circuit Appeals. Meanwhile he is free bond which will have to in Federal Court on Monday. officials profess to see, in his the beginning of the end of and prestige.

failed to convince Judge Wil-
of the truth of his story that too ill to come from Florida in of 1929 to appear before the jury investigating incomes, Capone known as the "big fellow" of the business, faces not only the the appeal, but an appearance Criminal Court Wednesday for vagrancy.

"I shall be glad to try Capone for vagrancy," said Harry Ditchburne, assistant State's attorney. "He has had legitimate occupation for years."

The sentencing of Capone—an unprecedented action in Chicago—was but one other developments that came thick and fast in gangland circles. Tony ("Mops") Volpe, reputedly Capone's chief lieutenant, was ordered deported to Italy by the Department of Labor at Washington. Judge Joseph Sabath announced the trial of Leo V. Brothers, St. Louis, accused of slaying Alfred Lingle, Tribune reporter and friend of Capone, will be postponed on Tuesday to make way for William ("Three Finger") White's second trial for the murder of a policeman.

While the Capone sentence brought gloom to "Scarface Al," it was just another victory in the 100 per cent record of United States Attorney George E. Q. Johnson, in prosecuting Capone gangsters. His victories included the sentencing of Al's brother, Ralph, to three years; the imprisonment of Frank Nitty, known as "the enforcer," for eighteen months; the conviction of Jack Gusick and the indictment of Sam Gusick, all for income tax evasion.

If, and when, Capone goes to jail, it will not be a new experience for him as he was held, almost a year, in Pennsylvania for carrying a concealed weapon in 1929. In the Cook County jail "he will be treated just like any other prisoner," says Sheriff William D. Meyering.

PUTS TAX LAWS ON GANGSTERS

U. S. Official in Chicago Finds Way to Beat Them

Chicago.—(AP)—George E. Q. Johnson, United States district attorney, has found one way to rid Chicago of gangsters—a task that police and state courts had undertaken with scant success.

Only one method has been more successful than that originated by the federal prosecutor for northern Illinois. This was the one employed by the gangsters themselves.

Johnson is entering upon a second four-year term as district attorney. He will continue to use income tax laws to decimate ranks or racketeers and gangsters.

George E. Q. is a slender little man with a shock of unruly hair. Calm, scholarly, somewhat dreamy eyes benevolently peer out through bowed spectacles.

But this son of a Swedish immigrant is thorough—so thorough that Frankie Lake and Terry Druggan, playboy beer peddlers, pleaded guilty to income tax frauds after hearing what their lawyers had to say about the indictments.

Many Others Convicted

The district attorney also convicted Ralph Capone, brother of the notorious Al; Jack Guzik, a sort of Capone chief of staff; Lawrence C. O'Brien, a state legislator, and Gene Oliver, a county assessor. Frank Nitti, called the Capone "paymaster," also pleaded guilty to tax evasion.

Few had heard of Johnson when Senator Charles Deneen selected him for the Chicago post. He had been lawyer enough, however, to earn in excess of $30,000 a year. The federal job pays only $10,000.

"I will talk with indictments and verdicts," he commented. For two years he didn't do much of that. When he brought Ralph Capone to trial for tax evasion, most of Chicago yawned. Capone, adjudged guilty, was given a prison term. The yawn became a cheer.

Take away a gangster's immunity—freedom from conviction, and ability to save others from conviction, and his dominion slips away, said Johnson.

Iowa Farm Boy Is Shrewd

Johnson had spent 20 months studying how to use the tax law to whip booze runners, beer peddlers graft profiteers. When the little ma with the ascetic appearance and quiet voice questioned them, some of them boasted of their earnings. These were checked with banks and revenue records. The Iowa farm boy had outwitted the "big shots."

The prosecutor is 49. He was born on a farm in Webster county, Ia. His father came from Smaland province, Sweden, in 1867.

Johnson's "George" becam "George Emerson" when he was 2 There were too many George Joh sons in that Iowa community.

When he arrived in Chica

1931 22

GANGSTER IS NAMED AS CHIEF OWNER

American 3/12/31

Contempt of court proceedings will be instituted against Ralph Capone, brother of the gang czar, as a result of the raid early today on the Cotton Club, Cicero night life spot, federal prosecutors announced.

The party of prohibition agents and deputy United States marshals, which made the raid, cut into a safe at the club with an oxy-acetylene torch and seized a mass of documents by which they hope to prove that Capone is actually the owner of the club. He has denied it in Federal Court proceedings.

INDICTED LAST FALL.

Capone was indicted with sixteen others last November, charged with violations of the prohibition act in connection with the club. He was also named as one of the proprietors in the temporary injunction issued against the place last Spring.

The raiders seized drinks on the tables of patrons and a pint of whisky in the manager's office. The possession of any quantity of liquor, or the countenancing of its use on the premises, is a violation of the temporary injunction which may be punished as contempt of court, according to Victor E. La Rue, assistant United States attorney.

HAVE OTHER PROOF.

La Rue also said that, regardless of the value of the documents seized in the safe today the government already has proof that Ralph Capone is one of the proprietors of the Cotton Club.

He called all of the agents who made up the raiding party to his office and took statements from them as soon as he reached the Federal Building today.

The raiders arrested the night club manager when they found a pint of liquor in his office, and obtained information, they asserted, that Al Capone had given a champagne party at the club last night which broke up only a short time before the raiders arrived.

HUNTED MAN FLEES.

The real purpose of the raid on the club, which is at 5342 W. Twenty-second st., was to find a man charged with having disarmed a prohibition agent and a Chicago policeman last week, it was stated.

Jack Karron, 24, doorman at the club, is already in $5,000 bonds on a charge of interfering with a federal officer, but the gunman who held up Roy M. Budd, the agent, and Dan Coakley, a policeman attached to the prohibition bureau, while Karron collected their guns and called the Cicero police escaped. He was not at the club last night.

Six prohibition agents and United States Deputy Marshals Joseph O'Neill and Joseph Spizzirri, who had a John Doe warrant for the man who had held up Budd and Coakley, together with those two men, made up the raiding party.

Louis Spielman, 6383 Sheridan

Continued on Page 2, Column 2.

COTTON CLUB IS RAIDED AGAIN

Continued From First Page.

road, the manager, met the party at the door, demanding their authority for entering the place. He admitted them when they showed him the warrants. The raiders found a score of patrons still in the place, along with a number of girl entertainers and the members of the floor show.

FIND SOME LIQUOR.

They found two pints of gin beneath one table and three unconsumed highballs on top of another, which they confiscated, and then went into the office of Spielman. There they found a pint of whisky. They then placed Spielman under arrest. He was to be arraigned before United States Commissioner Edwin K. Walker later in the day, charged with possession of liquor.

DRILL SAFE OPEN.

The most important find, however, was a small safe in the office of the club. Spielman refused to open it, so the agents summoned Daniel Mason, a safe expert attached to the prohibition bureau. He and a crew of men arrived with an oxy-acetylene torch and after an hour's work, cut the door of the safe open.

In it the agents

1931 23

OFFICE: HEARST SQUARE

Telephone Rand

PROSECUTORS DRAFT SEVEN-FOLD WAR ON CRIME

NATION-WIDE BUREAU WILL FIGHT GANGS

Clearing House for Criminal Records Urged; Swanson and Fitts Sponsor Meet Here

(Picture on Back Page.)

Plans for a concerted nation-wide drive on organized crime were launched yesterday at the opening session in the Palmer House of a two-day conference of prosecuting attorneys from many sections of the United States.

The conference, sponsored by State's Attorney John A. Swanson of Cook County and District Attorney Buron Fitts of Los Angeles, is to be the forerunner of a permanent national association of prosecutors, to direct the warfare on organized criminals.

WEIGH SEVEN PLANS.

A committee of six of the prosecutors was designated to draw up plans for the permanent organization and to consider the following seven suggestions for the crime drive:

FIRST—Establish a national system of crime records as a clearing house, by which police officials throughout the country may be constantly advised of the movements of organized criminals.

Second—Form interstate contracts for speedy extradition of criminals and witnesses.

Third—Urge the federal government to hasten deportation for alien criminals.

Fourth—Launch a criminal disarmament drive to take away gangland's deadly weapons, and make it impossible for criminals to purchase firearms and machine guns.

Fifth—Shorten the time of criminal appe[illegible] action, and force defe[illegible] gin serving term at c

S[illegible] it more difficult [illegible] professional criminals to [illegible] their activities by [illegible] constitutional rights" [illegible] ested.

S[illegible] develop and utilize every modern device for crime and prosecution.

POLICE LAXITY.

Attorney George E. Q. Johnson declared that law enforcement agencies in general have failed to cope with the gangster problem.

Mr. Johnson said:

"The blackest blot in the whole chapter of the administration of criminal l[illegible] is caused by this inability of [illegible] to deal with gang murd[illegible]

He added that although such cases require the most skilled type of under-cover investigation before they can be solved, the police have contented themselves with little more than perfunctory reports.

CRIME COST EQUALS WAR.

State's Attorney Swanson, who presided, urged the need of breaking down present state barriers to effective crime prosecution.

The conference will continue today.

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1931 23

CHICAGO ILL TIMES
TUESDAY, MARCH 24, 1931.

WARNS OF GANG PERIL TO NATION

G. E. Q. JOHNSON TELLS PROSECUTORS THEY MUST ACT

George E. Q. Johnson

George E. Q. Johnson, U. S. district attorney for Chicago, addressing prosecuting attorneys from all parts of the country called to a conference by State's Atty. Swanson, asserted the only hope of defeating organized crime lay in their going beyond their recognized field as court prosecutors and operating as investigators.

"In handling the new type of crime with attendant gangs and their gorillas who kill for hire, our police have utterly failed," he said, "and this is the problem which is fast becoming, if it is not already, a national problem.

Must Act as Investigators

"While we recognize the law imposes no duty upon us beyond ably presenting the evidence, an impatient public will not permit the prosecutor to be merely the lawyer. He must go beyond that and lead in the investigation of crimes.

"Nothing reflects more greatly upon the administration of justice than these unpunished gangster assassinations," he asserted.

"My investigations of killings of this type lead me to think that the police investigations of these murders go little beyond perfunctory reports.

Need Secret Service Methods

"This is the type of crime that requires the most skilled type of investigator.

"It is hopeless to get evidence against this type of criminal except by secret service methods. Very few police departments have been organized to do this kind of work, hence the dismal failures.

"The blackest blot on the whole chapter of the administration of criminal law is caused by the inability on the part of the police to deal with gang murders."

BRANCH LIBRARY

Judge McGo[illegible] refused his plea for bail.

"This woman has not slept or bathed since Friday," said Levy. "She has two children who need her. She is the victim of unfortunate advice."

"She will be called from the jail when the grand jury is ready for her," the judge said. "We may take some action after that, but meanwhile I am unable to help."

Attacks Jury Status.

Levy based his motion on the contention that the jury, sworn in Jan. 7, is now functioning illegally. He attempted to cite decisions to support his contention.

"As a rule," broke in the court, "I allow lawyers to have a full hearing. But I am familiar with all of the decisions in respect to this case.

"The special grand jury is of such importance that if it were disbanded now, it would be a civic calamity and a recognition of defeat. The people are helpless and are looking to the law for aid.

"You may save your points, however, but at this time I shall hold—and I think properly—that this special grand jury is legal and I hope it will function until its job is completed."

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URBANA ILL COURIER
TUESDAY, MARCH 24, 1931.

CLAIM CRIME PROBLEM FOR U. S. TO SOLVE

Chicago, Mar. 24.—(United Press)—Crime is a national problem and must be handled as such, prosecuting attorneys and police chiefs from all sections of the country agreed today at their first conference to organize crime fighting on a national rather than a state or local scale.

One after another of the officials, who gathered here to exchange views on such problems as gang eradication and extradition of criminals, spoke of crime as being organized nationally and stressed the need of mobilizing their own forces on a similar basis.

Principal business before officials today was the perfecting of their new organization. Members of the organization committee were: Prosecutor John A. Swanson of Cook county; Prosecutor James R. Page of Kansas City; District Attorney Eugene Stanley of New Orleans; Assistant District Attorney Fred S. Holbrook of Rochester, N. Y.; Prosecutor R. M. Burgunder of Seattle; County Attorney Edward J. Goff of Minneapolis; and District Attorney Buron Fitts of Los Angelec, whose idea it was that officials from all over the country meet here to form a permanent and consistently active national organization.

"We must guard against having the sort of organization which will meet once a year for social purposes," explained Fitts at the opening session yesterday. "We need an organization that will function every day in the year."

Prosecutor Goff of Minneapolis outlined the general view on the national aspect of crime by reviewing opinions based upon the report of the Hoover law enforcement commission.

Goff estimated that crime annually costs taxpayers of the United States more than $2,000,000,000 and that it costs perhaps $11,000,000,000 more for prevention of crime and isolation and punishment of criminals who are convicted.

He declared that within the country's borders there is an "army of more than half a million free, professional criminals, with 325,000 others confined in the country's 5,000 penal institutions.

Goff said he had learned reliably that 600 sub-machine guns were sold last year to criminals in one city—not Chicago. He asked the other officials to try to imagine how much chance "ordinary citizens" had when there were within the city 600 criminals armed with guns that weigh only 12 pounds each, can be handled as easily as a rifle and can fire 600 bullets a minute.

State's Attorney Swanson and Prosecutor Page both urged that all state barriers be broken down in organizing to fight crime and pointed out that "criminal elements have not been slow in organizing effectively." Swanson said many national crime "rings" existed and that only a national organization of police and prosecutors could combat them effectively.

Some of the things which the presecutors were agreed should be accomplished at their first meeting were: establishment of the start of a national system of keeping crime records; formation of a national "clearing house" to speed up extradition of criminals; and launching of a national drive to disarm the criminal element and make it more difficult for criminals to obtain firearms.

George E. Q. Johnson, United States attorney who has made a 100 per cent record in prosecution of Chicagoans charged with not paying income taxes, spoke to the prosecutors last night.

He stressed that the gangs of many cities—he named Chicago, New York, Detroia, Philadelphia and St. Louis—long had been working together in carrying out gang killings.

Commending the officials for their attempts to organize, Johnson said it was impossible for authorities in any one city to deal alone with gangs which hired each others' gunmen to go from city to city committing murder for hire.

1931 23

CHICAGO ILL CALUMET
TUESDAY, MARCH 24, 1931.

SOUTH CHICAGO POLICE IN

CAPT. COLLINS HEADS THOSE SUMMONED

RAIDS WERE MADE BY FEDERAL AGENTS LAST JULY; CAPTAIN COLLINS NOW AT FILLMORE STATION; MORE TO BE CALLED.

Police Captain Patrick J. Collins, formerly in charge of South Chicago police district, at the time Federal agents made "wholesale" raids last July, was summoned to the federal building today along with Sergt. Wm. H. Reed, former acting captain Joseph J. Dubach and Harold McCoy, now in charge of one of the squads in the South Chicago district.

They are to be questioned by U. S. District Attorney Daniel Anderson.

The story is that for several weeks the government has had a man investigating the conditions in the "Bush" district, and in order to "get in right," he started in the saloon business, but was at first refused a license, but later had it O. K.'d from the city hall.

It is said that some of the dry-bar keepers "talked" after they were arrested by the government men, and questioned by U. S. District Attorney George E. Q. Johnson.

These statements, turned over to Johnson for action, are alleged to contain charges that the speakeasies operated by police permission, and to have contained accounts of the purported payment of protection money.

Sergeant Reed and Officer McCoy were the only two officers ordered to report to the federal building from the South Chicago police district today, but it is reported that more will be asked to tell what they know about conditions in the district.

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RECORDS OF SERRITELLA SEIZED IN RAID

24

RAID SERRITELLA'S OFFICE

Assistant State's Attorney Boyle C. Johnson, Clerk Frank Stinson (in front of safe), who was served with a writ, and Assistant State's Attorney Harold M. Keele, who, with a detail of police from State's Attorney Swanson's office, raided the office of City Sealer Daniel A. Serritella at the city hall and seized all the records in an investigation of the affairs of the department of weights and measures of the city of Chicago.

[By a staff photographer.]

INVESTIGATORS QUESTION AIDS OF CITY SEALER

02

Police Also Raid Office of Max Eisen; 400 Are Subpœnaed.

HUGE PLOT CHARGED

Widespread investigation of the affairs of the department of weights and measures of the city of Chicago, launched many months ago and carried on secretly, culminated sensationally this morning.

Assistant State's Attorney Harold M. Keele, accompanied by a picked detail of police from State's Attorney Swanson's office, entered the office of City Sealer Daniel A. Serritella at the city hall and announced that he and the officers were there to seize all records through the medium of subpœnas duces tecum, and upon "John Doe" writs to take twenty-nine members of Serritella's force to the Criminal courts building for questioning by Swanson's assistants and subsequent appearance before the two grand juries now sitting.

Such was the first result of intensive inquiry launched months ago by the Chicago Better Business Bureau and renewed with vigor in January of this year.

McGoorty Issued Writs.

The writs and subpœnas on w the raiders operated were issue Chief Justice John P. McGoorty lowing presentation of a pet which said in part: That the st attorney has been enga in ar vestigation of charge

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1931 24

CALUMET CITY ILL TIMES
WEDNESDAY, MARCH 25, 1931.

CRIME IS NATIONAL PROBLEM

8

Prosecuting Attys. and Police Chiefs Think It Should Be Handled as Such

(By United Press)

CHICAGO, March 25.—Crime is a national problem and must be handled as such, prosecuting attorneys and police chiefs from all sections of the country agreed at their first conference to organize crime fighting on a national rather than a state or local scale.

One after another of the officials, who gathered here to exchange views on such problems as gang eradication and extradition of criminals, spoke of crime as being organized nationally and stressed the need of mobilizing their own forces on a similar basis.

Principal business before the officials today was the perfecting of their new organization. Members of the organization committee were:

Prosecutor John A. Swanson of Cook county; Prosecutor James R. Page of Kansas City; District Attorney Eugene Stanley of New Orleans; Assistant District Attorney Fred S. Holbrook of Rochester, N. Y.; Prosecutor R. M. Burgunder of Seattle; County Attorney Edward J. Goff of Minneapolis, and District Attonrey Buron Fitts of Los Angeles, whose idea it was that officials from all over the country meet here to form a permanent and consistently active national organization.

"We must guard against having the sort of organization which will meet once a year for social purposes," explained Fitts at the opening session yesterday. "We need an organization that will function every day in the year."

Prosecutor Goff, of Minneapolis, outlined the general view on the national aspect of crime by reviewing opinions based upon the report of the Hoover law enforcement commission.

Goff estimated that crime annually costs taxpayers of the United States more than $2,000,000,000 and that it costs perhaps $11,000,000,000 more for prevention of crime and isolation and punishment of criminals who are convicted.

He declared that within the country's borders there is an "army" of more than half a million free, professional criminals, with 325,000 others confined in the country's 5,000 penal institutions.

Goff said that he had learned reliably that 600 sub-machine guns were sold last year to criminals in one city—not Chicago. He asked the other officials to try to imagine how much chance "ordinary citizens" had when there were, within one city 600 criminals armed with guns that can fire 600 bullets a minute.

State's Attorney Swanson and Prosecutor Page both urged that all state barriers be broken down in organizing to fight crime and pointed out that "criminal elements have not been slow in organizing effectively."

Swanson said many national crime "rings" existed and that only a national organization of police and prosecutors could combat them effectively.

Some of the things which the prosecutors were agreed should be accomplished at their first meeting were: Establishment of the start of a national system of keeping crime records; formation of a national "clearing house" to speed up extradition of criminals; and launching of a national drive to disarm the criminal element and make it more difficult for criminals to obtain firearms.

George E. Q. Johnson, United States attorney who has made a 100 per cent record in prosecution of Chicagoans charged with not paying income taxes, spoke to the prosecutors last night.

He stressed that the gangs of many cities—he named Chicago, New York, Detroit, Philadelphia and St. Louis—long had been working together in carrying out gang killings.

Commending the officials for their attempts to organize, Johnson said it was impossible for authorities in any one city to deal alone with gangs which hired each other's gunmen to go from city to city committing murder for hire.

1931 24

NILES OHIO TIMES
TUESDAY, MARCH 24, 1931.

Crime in the United States Costs $13,000,000,000 Yearly

CHICAGO, March 24—(UP) — Crime is costing the country $13,000,000,000 yearly, is a national problem and must be handled as such, prosecuting attorneys and police chiefs from all sections of the country agreed today at their first conference to organize crime fighting on a national scale.

One after another of the officials, who gathered here to exchange views on such problems as gang eradication and extradition of criminals, spoke of crime as being organized nationally and stressed the need of mobilizing their own forces on a similar basis.

"We must guard against having the sort of organization which will meet once a year for social purposes," explained Prosecutor Buron Fitts of Los Angeles. "What we want is an organization that will function every day of the year."

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He stressed that the gangs of many cities—he named Chicago, New York, Detroit, Philadelphia and St. Louis—long had been working together in carrying out gang killings.

Prosecutor Page objected at one time during the meeting to the wisdom of "going too far" in the matter of regulating sale of firearms.

1931 25

ZE RECORDS
SERRITELLA;
QUIZ 29 AIDS

Police Also Raid Office of Max Eisen; 400 Are Subpœnaed.

[Continued from First Page.]

ion avenue; Standard Fish Company, 225 North Union street; J. Klafin, 209 North Union avenue; Fred Wilner, 731 Maxwell street, and Witte Dieterie Company, 659 Fulton market.

Simultaneously twenty other police teams from the state's attorney's office, each consisting of two men, were dispatched with John Doe subpœnas to round up some 400 or more storekeepers and store clerks in various sections of the city for immediate appearance as witnesses before the special and regular grand juries.

Women to Accuse Hundreds.

Five teams of women, who for many weeks, have been making purchases of foodstuffs at the behest of the state's attorney's office, gathered at the Criminal courts building to identify and accuse these hundreds of defrauding them by giving them false weight. The authorities said that the widespread and lengthy canvass conducted by these "buyers" in the state's employ disclosed that, through negligence and certain other practices figuring extensively in the investigation of the sealer's office, housewives throughout the city of Chicago "were being short-weighted and overcharged to the extent of millions of dollars annually"; that in thousands of instances it seemed that storekeepers had good reason, so far as the city sealer's office was concerned, to deem themselves immune from interference if they broke the law.

Stinson Taken First.

Assistant State's Attorney Keele and his raiders were in the corridors leading to the sealer's office on the sixth floor when Frank Stinson, chief clerk, appeared. They seized him as he was opening the office. Knowing it is the practice for the inspectors and deputy sealers to telephone the office each morning, the raiders marched Stinson to his desk and instructed him to issue orders for the immediate appearance of each man at the office.

All outgoing telephone service was cut off lest there be a tipoff.

Lieut. William Blaul and a force of policemen and deputy sheriffs made up the raiding squad. Assisting Keele was Assistant State's Attorney Boyle Johnson. As the various employes reported at the office they were seized. ll persons appearing at the office e taken into custody and held completion of the raid.

Piles Records on Truck.

Blau commandeered a hand nd h and his men began a tic se ch of the city sealer's All r ords in filing cabinets, in va s desks, even a num- might happen to them next week after the election. That's why we're seizing them now. And we expect that they will yield evidence of the utmost importance regarding the activities of the city sealer, his chief deputy and some of their 'aces.'"

Keele said that before being taken before the grand juries all the witnesses would be quizzed by the questionnaire method so as to expedite matters.

Uncover Important Data.

The Chicago Better Business Bureau began an investigation of the city sealer's office after having received hundreds of complaints. Its investigators uncovered a lot of important information. Around the first of the year these disclosures enlisted the interest of the authorities. The facts were laid before State's Attorney Swanson and he assigned Assistant State's Attorney Keele, a former assistant United States district attorney under George E. Q. Johnson, to devote his entire time to the matter. Whereupon Keele established headquarters and got busy, fortified by the knowledge that a special grand jury had been impaneled and sworn in by Chief Justice John P. McGoorty, with instructions to investigate corruption.

Many persons claimed to be victims of persecution at the hands of City Sealer Serritella, Chief Deputy Hockstein and Max Eisen, and the evidence brought out during the investigation, according to Keele and the Better Business Bureau, tends to substantiate their stories. There is also evidence that the department of weights and measures has "laid off" prosecution of thousands of short-weight and overcharge cases without any explanation being forthcoming of why it did so.

The Daily News assisted in investigating complaints relating to Eisen's activities at the fish market.

Some Charges Revealed.

With the stage all set for the presentation of evidence to the special and regular grand juries through the medium of many witnesses and records of the city sealer's office, it is understood that the following are some of the charges to be investigated:

1. That the city sealer's office under Serritella and Hockstein was made use of to force retail fish dealers into joining Eisen's racketeer organization, the Chicago Retail Fish Dealers' Association, at $300 down as initiation fee and dues of from $8 to $12 a month, the alternative being repeated court appearances under charges of short-weighing customers.

2. That the city sealer's office, acting at Eisen's behest, supplied inspectors of weights and measures with lists of places to be visited, these comprising fish dealers who persisted in their refusal to join the association, together with members remiss in paying their dues, ther enabling Eisen to enrich himself further at the expense of his harassed victims, many of whom are in extremely poor circumstances.

3. That inspectors of weights and measures were given specific instructions to "frame" those on the lists found to be giving correct weight. hether honest or not, they must be accused of overcharging, handed complaint slips and instructed to appear at the city aler's office and explain—a process that provided Eisen's allies in that office oppor- de."

one of Serritella's "aces," the latter even bringing suit against him for $50,000 damages for "false arrest," with the chief assistant city prosecutor acting as his attorney.

14. That there was a recent movement to "line up the coal dealers," but it was deferred after a start had been made because one of the "aces" assigned to the job was needed to take part in the framing of fish dealers.

15. That very few sealers work more than half a day and that several of them conduct stores and other enterprises.

16. That City Sealer Serritella's private office in the city hall has been a rendezvous for gangsters and hoodlums.

Short Weights Disclosed.

17. That expert weighmasters' reports, compiled from purchases made by five teams of buyers, numbering fifteen persons and employed by the state's attorney's office to cover the city (and on the job for several weeks), disclose widespread short-weighting of customers. That out of eighty stores visited by four teams on one day alone, thirty-four stores short-weighted the customers from the state's attorney's office. That one team reported visiting nineteen stores between 9 a. m. and 2:30 p. m., making purchases in each instance, and when the "buys" were weighed it was found that thirteen out of the nineteen stores had sold short-weight goods, the overcharges ranging all the way from 3 cents to 52 cents. That such practices as these are costing the people of Chicago millions of dollars annually.

18. That the most flagrant short-weight offenders are those who openly boast when caught by inspectors that they are immune from prosecution. That these number hundreds and that many of them claim to pay heavily for the privilege of being listed as immune. That the owner of a big chain of markets tells his salespeople:

"Make your wages over the scales or you can't work for me."

The above charges are based upon statements made by numerous witnesses. For the present, however, the names of these persons cannot be divulged, since to publish such information, as every one realizes, would place them in peril of reprisals, even of violence.

Calls Situation Scandalous.

Flint Grinnell, manager of the Chicago Better Business Bureau, commenting on the situation at the inception of the investigation, declared:

"Conditions in the city sealer's office constitute a scandal and a disgrace. The situation has become intolerable and it is essential, both in the interest of business people and the general public, that the truth be revealed so that action may be taken to remedy this terrible state of affairs."

In getting evidence against Racketeer Eisen and his reputed allies in the weights and measures department, Assistant State's Attorney Keele enlisted the services of some of the Better Business Bureau's investigators. When these parties attempted to purchase fish at the Union-Fulton wholesale market they were refused. Wholesalers told them they must first procure "Maxie Eisen's O. K." before being permitted to make such purchases. One even pointed out Jack Perno, "Czar" Eisen's "Man Friday," saying:

run Eisen c that Hockstein, h was chief deputy, of m the city sealer's office for secution of such members of the dealers' association who were behin in their dues and who refused to pay These witnesses, according to the stories they have told Assistant State's Attorney Keele, claim that conferences took place and an agreement was reached. They maintain that Maxie was well aware that Serritella had picked Hockstein as his chief deputy for two reasons: One was that Hockstein was sponsored by Morris Eller, former city sealer and now city collector. The second was that Serritella saw in the passing of Cluett termination of at least a partial check upon certain activities, so he planned a widespread campaign and deemed Hockstein as especially fitted to conduct the proposed enterprise.

According to Keele's informants, a coalition was effected. Witnesses charge that Eisen, with a record of thirty-seven arrests, became a silent partner in the firm of Serritella & Hockstein. They have produced evidence to show that he supplied the city sealer's office with names and addresses of fish dealers he wanted punished, either for their refusal to join his association or refusal to pay dues. They charge that Serritella and Hockstein turned these lists over to inspectors, Hockstein telling his men: "Go out and give every one of them a complaint card. Send them all in. Tell them to see me."

Has Written Evidence.

Assistant State's Attorney Keele has both oral and documentary evidence tending to show that, in compliance with these instructions, inspectors of weights and measures have "framed" retail fish dealers in various parts of the city, charging them with giving false weight when, as a matter of fact, scales were in perfect condition, the correct weight had been recorded and no overcharge had been made during the transaction.

One of the largest lists of "victims," according to Keele's informants, was allotted the inspectors on Jan. 16 of this year, along with written instructions to make it their business to have the entire number served with complaint cards on or before Jan. 22. The specific charge is made that Hockstein suggested that, in instances where nonmembers were served with tickets, inspectors put the query: "Why don't you join the retail fish dealers' association and avoid a lot of trouble?"

Many of the persons served with tickets failed to comply with orders they got to "see Mr. Hockstein." Instead of visiting the sealer's office, where Hockstein was to be found, they flocked to their ward committeemen and the latter fixed up matters for them.

This procedure, according to the complainants, merely defers the day of reckoning, the scheme provid ways and means of deluging th linquents with ticket mately they might appear at the seal of landing in court would be given of about their convict

Victims Are

Neither hunger realization tha a persons marked

1931 25

s to an automobile truck waiting at the curb. The first truck load reached the Criminal court building about 10 o'clock this morning.

Assistant State's Attorney Keele had announced earlier in the day that, if necessary, both the regular and the special grand jury would sit until after midnight to hear the testimony of the scores of persons seized.

State's Attorney Swanson announced when the records arrived at the building that he was assigning twenty-five assistants to examine the seized records.

City Hall in Tumult.

Meanwhile the raid on the sealer's office had thrown the city hall into a tumult.

First Assistant Corporation Counsel James Breen arrived at the sealers' office on the run, demanding to know what was being done. He was shown the writs and subpœnas on which the raiders were acting. He protested mouthily, but departed in a few moments.

List of Those Seized.

Among those seized by the raiders at the sealer's office were:

Miss Margaret Hayes, 815 Buena avenue, stenographer.

Michael Adler, 3218 North Talman avenue, inspector of groceries.

Miss Florence Anderson, 3633 Wilton avenue, deputy sealer.

Williard Perbier, 4818 North Spaulding avenue, deputy sealer.

William Berry, 1632 Belmont avenue, deputy sealer.

Herman Levin, 3414 Medill avenue, inspector.

James E. Raligan, 4448 Washington boulevard, inspector.

Anthony Pecoraro, 2321 Seminary avenue.

Joseph Henry, 1533 East 73d place.

William F. Murphy, 510 Oakdale avenue.

Harry W. Buford, 4616 North Sacramento avenue.

Francis Kelly, 313 North Mayfield avenue.

Max L. Pinkowski, 1653 North Merrimac avenue.

Charles Werner, 2527 North Marshfield avenue.

Charles Cameron, 1423 East 72d place.

Edwin S. Hopps (his address was given as "Indiana").

Frank J. Fitzgerald, 7843 South Marshfield avenue.

Thomas J. Prendergast, 6244 South Morgan street.

J. M. Cartwright, 4701 North Artesian avenue.

Henry Houle Jr., East End avenue.

Robert E. Giles, 3803 South Dearborn street, investigator.

For many weeks Assistant State's Attorney Keele has conducted the investigation from a downtown office, making his headquarters in suite 1002 of the H. O. Stone building at 6 North Clark street.

It was at this suite that the city hall raiders gathered today, arriving at 7 a. m. in compliance with instructions they received last night. This squad, made up of picked men, set out for Serritella's office on the sixth floor of the city hall shortly after 8 o'clock.

"We had to act right away or run the risk of losing the records altogether," Keele explained. "One can

witness s instances where scales were correct and proper weight had been given, in order to gain convictions.

Death Threats Made.

4. That inspectors of weights and measures were threatened, being told by the head of a chain of markets that he "stood in all right with the sealer's office," and if they didn't lay off his stores they "would be taken for a ride by 'Machine Gun' Jack McGurn of Al Capone's mob."

5. That certain wholesale fish companies of Chicago bow to Racketeer Eisen's demands and refuse to sell fish to persons he puts on his blacklist. That the state's attorney's office regards this as constituting conspiracy and proposes to act accordingly.

6. That Eisen conducts "court" twice each month, fining members of the association who disobey his rules, the fines ranging from $50 to $300.

7. That Eisen's "wrecking crew" consists of Jack Perno, his brother-in-law; Sam Kaplan, Joe Tuckman and Izzie Gerber. That Perno, known to fish dealers as "Tony," is the "shadow and trouble man" at all times, while the others, until recently on the pay roll of the fish dealers' association, are now only called in when some one is to be beaten or store windows are to be shattered.

Police Are Involved.

8. That two plain-clothes men of the Shakespeare avenue police station frequently confer and hobnob with Eisen at the big wholesale Union-Fulton fish market, where he rules as its "czar," with leading firms humbly obeying his orders.

9. That Eisen's domination is so complete no retail fish dealer dares to dispose of his place of business without having Eisen conduct the deal. That he not only exacts a heavy commission from the seller, but requires the buyer to pay him a large sum in a blind trade wherein broken counters and other crude equipment are unloaded upon the victim.

10. That Eisen plans to establish butter and egg routes, line up the wholesale dealers at the South Water street market, subjecting them to the same domination he exerts over the wholesale fish dealers, and make it impossible for storekeepers to purchase butter and eggs if they refuse to buy such supplies from his trucks.

11. That the city sealer's office has been discriminating between storekeepers, prosecuting some but failing to prosecute others on charges of short-weighting the public, and that the activities of a certain inspector have a direct bearing upon this strange state of affairs.

12. That thousands of complaint slips charging short weight and filed at the city sealer's office by inspectors of weights and measures for prosecution have never been heard of again.

Chain-Store Owner Ruined.

13. That persistent persecution of the owner of a chain of markets followed his refusal to listen to overtures that he pay tribute; that this man was finally forced into a receivership by the city sealer's office through a deluge of complaint slips after he had caused the arrest of

periences 's man underwent in "seeing Maxie" will be revealed in a subsequent article.)

"Reorganization" of the weights and measures department, to the great benefit of Max Eisen, Capone henchman and racketeer, closely followed the death of Chief Deputy Sealer William F. Cluett, which took place on Nov. 17, 1930.

Gave Job to Hockstein.

Serritella, elected a state senator on Nov. 4 and still retaining the office of city sealer—a $5,000-a-year position—to which he was named on April 16, 1927, by Mayor Thompson, lost no time in filling the vacancy. He picked Hockstein, brother-in-law of Eisen, as his new chief deputy at $3,500 a year, announcement of the appointment being made five hours after Cluett had expired and ere arrangements for Cluett's funeral had been completed. Hockstein, whose criminal record includes being indicted for murder, kidnaping, assault with a deadly weapon and who was found guilty of conspiracy and fined $1,000, lost no time in getting on the job. The position being under civil service, Serritella announced it to be "just another sixty-day appointment."

Shortly after Hockstein entered upon his duties hoodlum frequenters of Serritella's private office and attaches of the outer office were present when Eisen entered and demanded to know why City Sealer Serritella and Hockstein, his own brother-in-law, had permitted their inspectors to charge an official of the fish dealers' association with giving short weight. Eisen pitched into Hockstein, shouting: "You're a fine brother-in-law! This is an outrage. I've done heaps of good turns for Dan Serritella and I'm not going to stand for officers of my organization being hauled into court on short-weight charges. How about it?"

Hockstein, much perturbed, began to stammer excuses. Whereupon Eisen, thrusting him aside, browbeat inspectors in attendance, warning them they "invited trouble" if it happened again.

Witnesses charge that in the long

Many support. Their ha money, so how c ay Eisen?" They res the part, in rooms in the rear of t run-down stores. They purchase t fish through subterfuge, Eisen his "Man Friday" seeing to it t wholesalers and their employes buff them when they appear at big market with the view of rep ishing their small stocks. They told to "see Eisen." All know that means.

Most of them are forced to from a Maxwell street firm, the of which aids them all he can. they could buy much cheaper if mitted to deal with wholesa the big market. In some insta their Maxwell street friend, who s that he doesn't fear Maxie, has the make their purchases in the rear his place so as to allay fears they e tertain that Eisen or his thugs n show up and discover what they about.

A west side woman, mother of s eral children, is numbered amo them. It has been shown, accord to the evidence given Keele, that was deliberately "framed" so that might be thrust into Eisen's clutc and made to pay him tribute. and many others tell of the trou Eisen has caused them, the persec tion they have undergone at h hands. They are in abject fear him and make it their business steer clear of him all they can.

Holds Court Bimonthly.

Twice each month Eisen conduc "court" in a hall at Ogden boulevar and Kedzie avenue. At these ses sions, held on Monday nights, he si as judge and jury. Members of Retail Fish Dealers' Association incur his displeasure by infrac of his "rules of guidance" are before him, one at a time. Mo them are victims of spotters in employ.

Maxie's thugs stand guard at door. Few brought before him esc being fined. They are informed they must pay, and if they the money they must l

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25 1931

geo s that tella, Hochstein and Max Eisen ("Northwest Side Maxie," the boss of the fish racket) did "wilfully, unlawfully and corruptly conspire, confederate and agree together" to protect persons and firms selling commodities at short weight and measure, and to cheat and defraud the public generally, and to corruptly pay money to Serritella and Hochstein as bribes.

Simultaneous with the invasion of the office of Serritella, member of Mayor Thompson's cabinet and friend of "Scarface Al" Capone, another police squad, armed with similar writs, went to seize all records in the Fulton market office of Max Eisen, "czar" of the wholesale and retail fish business in Chicago, Capone henchman and brother-in-law of Harry Hockstein, chief deputy sealer.

Another squad went to Eisen's home, 2626 North Troy street, to seize records reported to be hidden there.

Seek Eisen's Officers.

Others of the state's attorney's police were seeking the following officers of Eisen's Fish Dealers' Association for appearance at the Criminal court building: H. Zakin, 3809 West 16th street, president; H. Markus, 222 East 51st street; Max Tecotsky, 4840 North Kedzie avenue; Herman L. Wine, 560 East 47th street; Sam Pullman, 354 South Crawford avenue, and Morris Chodosk, 231 Eash 58th street.

In addition subpœnas were issued for officials and employes of the Booth Fisheries Company, Fulton market; Gordon's United Fish Markets, 663 Fulton market; Lakeside Fish and Oyster Company, 657 Fulton market; Dierssen Johnson Fish Company, 651 Fulton market; Lake Superior Fish Company, 227 North Un

(Continued on Fourth Page.)

1931 25

d as high no appeal. They line outside Maxie's aiting their turn to ap- and their dejection, at all es manifested during the wait, has aterially increased when they nerge from the ordeal.

The investigation also has produced vidence supporting the charge that he only way people can enter into he fish business is to have Max Eisen "sell them a location," at the ame time submitting to being robbed by him by acceding to his terms whereby they are called upon to pay arge sums for "the keys."

This means, according to the witnesses, that they get what is revealed o them when the keys are turned and they enter their stores. All harge that they have been victimed in these deals, Eisen receiving ndreds of dollars in each instance r store equipment of little value. These include broken counters, crude tables and other junk.

Stores "Marked" Goods.

All the commodities purchased by re shoppers in the employ of the ta's attorney's office have been eighed and stored, Assistant State's Attorney Keele having rented space for this purpose.

In obtaining short-weight and overharge evidence against stores aproximately $2,000 was spent by the ate's attorney's buyers for foodstuffs. Five teams of buyers, comprising ten women and five men (two women and a man to a team) were enlisted to make the rounds of stores daily and purchase goods. This practice was kept up for weeks. Every section of Chicago was visited. The women did all the buying, the men trailing them in automobiles and receiving the "buys" immediately following completion of each transaction. Upon emerging from a store with their purchases the women tagged each package and filled out printed slips, telling on each the name and street address of the store and also writing in full description of the storekeeper or clerk with whom they had dealt. Twenty stores were visited in this manner by each team daily. At the close of the day's work both buyers and all the foodstuffs they had bought were driven to a north side storage warehouse, each article was weighed on two sets of precision scales by expert weighmasters, tagged anew, sealed with sealing wax and stored, to be used as evidence. The weighing took place in the presence of th so they w be qualified to testify later. Tons of commodities, such as chickens, hams, bacon, prunes, apricots, sugar, butter, smoked butts, bacon and lard, have accumulated as a result.

Sections Picked Out.

After canvassing the entire city it was decided to confine the survey to certain sections which, in the opinion of Assistant State's Attorney Keele and his aids, constituted representative groups of groceries and meat markets. These were repeatedly visited by the buyers. Tabulations prepared by sworn weighmasters and statisticians disclose that about 80 per cent of this group, comprising several hundred stores, short-weighted the buyers in the service of the state's attorney's office as they made their rounds. Some even cheated every time they were visited.

In every instance, according to reports made by the buyers, the amount of the "cheat" went into the cash register, and not into the pocket of the clerk, thereby substantiating allegations to the effect that certain storekeepers made it their practice "not to hire a clerk or meatcutter unless they first agreed to make their wages over the scales."

High Lights of Canvass.

Some of the salient features of the canvass follow:

Out of 117 "buys" made by teams on March 27 it was found that fifty-one of these were short in weight.

The average purchase made amounted to 90 cents. The average amount of the cheat was 7½ per cent of the true value.

There was a 54-cent cheat on a $1.75 purchase.

Here are additional findings:

A 52-cent cheat on a $1.90 purchase.

A 34-cent cheat on a 98-cent purchase.

A cheat of 16 cents on a 68-cent value.

One of 10 cents on a 45-cent value.

One of 18 cents on a 67-cent value.

Thirteen-cent cheat on 85-cent purchase.

Twenty-nine-cent cheat on 79-cent purchase.

Approximately 700 other violations, many for considerable amounts, and all charged to 176 stores that were included in the canvass.

Out of sixty-nine stores visited by the state's attorney's buyers last Saturday, thirty-nine were found to have given short weight, many of these being flagrant violations.

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CHICAGO ILL DAILY NEWS
THURSDAY, APRIL 9, 1931.

GUZIK RELATIVES ARE ARRAIGNED IN U. S. TAX CASES

Trial of Sam Guzik Set for May 11; Lipschultz for June 8.

Sam Guzik, brother of Jake Guzik, brothelkeeper and Capone chieftain, and Louis Lipschultz, Jake Guzik's brother-in-law, were arraigned today before Federal Judge James H. Wilkerson on charges of evading the income tax law. Both pleaded not guilty. The case of Sam Guzik, collector for the Capone outfit on the south side of the loop, was set for trial May 11 and that of Lipschultz for June 8. A report was current about the federal building that Guzik would plead guilty if he could negotiate favorable terms with District Attorney George E. Q. Johnson, but this was not confirmed by his attorney, William F. Waugh.

Jake Guzik recently was found guilty of evading the income tax law and sentenced to five years in Leavenworth prison.

Two Chicago public enemies received a setback from the Illinois Supreme court today.

The high court at Springfield denied bail to George ("Red") Barker, labor racketeer, and James ("Fur") Sammons, notorious gunman, who are serving terms in Joliet penitentiary. The public enemies sought release on a writ of habeas corpus pending an appeal.

At the same time William ("Three Fingered Jack") White, pal of Barker and Sammons, who is under fourteen years' sentence for the murder of a policeman, went before Judge Joseph Sabath to ask that he be transferred temporarily from the county jail to the bridewell that he might have his tonsils removed in sanitary surroundings. Assistant State's Attorney Harry S. Ditchburne suggested that Judge Sabath question White's physician to determine the need of the operation.

This so angered White that he arose in court and before his lawyer, James McDermott, could interpose, he cried: "Just because I'm Jack White there's a conspiracy against me. I withdraw my petition."

ASADENA. CAL.. STAR-NEW
APRIL 18, 1931

violating the prohibition laws.

CAPONE AIDE KIN GETS YEAR FOR TAX EVASION

Sam Guzik Also Is Fined $2500 In Government Case

CHICAGO, April 18.—(United Press)—The 100 per cent record of United States Attorney George E. Q. Johnson, who has been fighting gangs and corrupt politicians by means of income tax fraud prosecutions, numbered eight convictions today, with Sam Guzik, brother of Al Capone's chief lieutenant, facing one year in Leavenworth Penitentiary and $2500 fine.

Pleading guilty to charges of evading income tax payments for 1927 to 1929, Guzik, a slot machine operator and racketeer, was sentenced yesterday by Federal Judge James H. Wilkerson. Stay of execution was granted until June 1.

HOLLYWOOD, CAL.. CITIZEN
APRIL 18, 1931

Sunday.

Tax Counsel Wins New Battle On Racketeers

CHICAGO, April 18. (U.P.)—The 100 per cent record of United States Attorney George E. Q. Johnson, who has been fighting gangs and corrupt politicians by means of income tax fraud prosecutions, numbered eight convictions today with Sam Guzik, brother of Al Capone's chief lieutenant, facing one year in Leavenworth Penitentiary and $2500 fine.

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1931 26

SAN DIEGO. AL.. SUN
APRIL 18, 1931

(TURN TO PAGE 2)

FRIEND OF CAPONE GETS PRISON TERM

U. S. Attorney Makes Perfect Prosecution Record

By United Press

CHICAGO, April 18.—The 100 per cent record of United States Attorney George E. Q. Johnson, who has been fighting gangs and corrupt politicians by means of income tax fraud prosecutions, numbered eight convictions today with Sam Guzik, brother of Al Capone's chief lieutenan facing one year in Leavenworth enitentiary and $2500 fine.

Pleading guilty to cl ges of evading income tax pay ts for 1927 to 1929, Guzik, a ma- chine operator and rack was sentenced yesterday b eral Judge James H. Wilkers Stay of execution was gran until June

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1931 26

Kansas City, Mo. Journal
APR. 18, 1931 A20

SAM GUZIK SENTENCED

Brother of Capone Aide to Federal Prison.

CHICAGO, April 18.—(U.P.)—The 100 per cent record of United States Attorney George E. Q. Johnson, who has been fighting gangs and corrupt politicians by means of income tax fraud prosecutions, numbered eight convictions today with Sam Guzik, brother of Al Capone's chief lieutenant, facing one year in the federal penitentiary at Leavenworth and $2,500 fine. Pleading guilty to charges of evading income tax payments for 1927 to 1929, Guzik, a slot machine operator and racketeer, was sentenced yesterday by Federal Judge James H. Wilkerson. Stay of execution was grant

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1931 26

NEW YORK WORLD
NEW YORK TELEGRAM
18 APRIL

Crime

CHICAGO GETS EIGHTH IN GANGSTERS DRIVE

Sam Guzick, Brother of Capone's Aid, Given a Year for Income Tax Fraud.

By the United Press.

CHICAGO, April 18.—The government's drive against Chicago gangsters, racketeers, and corrupt politicians had its eighth conviction on income tax fraud charges today, with Sam Guzick, brother of Al Capone's chief lieutenant, facing a year's imprisonment and a $2,500 fine. The convictions include six gangsters and two politicians.

Guzick, a slot machine operator and racketeer, was prosecuted by U. S. Attorney George E. Q. Johnson. Guzick pleaded guilty to charges of evading income tax payments from 1927 to 1929, and was sentenced to Leavenworth Penitentiary by Federal Judge James H. Wilkerson. Stay of execution was granted until June 1.

1931 26

UMET CITY ILL TIMES
SATURDAY, APRIL 18, 1931.

Crime

JOHNSON KEEPS UP RECORD

Chicago United States Attorney Brings in His Eighth Conviction

(By United Press)

CHICAGO, April 18.—The 100 per cent record of United States Attorney George E. Q. Johnson, who has been fighting gangs and corrupt politicians by means of income tax fraud prosecutions, numbered eight convictions today with Sam Guzik, brother of Al Capone's chief lieutenant, facing one year in Leavenworth penitentiary and $2,500 fine.

Pleading guilty to charges of evading income tax payments for 1927 to 1929, Gusik, a slot machine operator and racketeer, was sentenced yesterday by Federal Judge James H. Wilkerson. Stay of execution was granted until June 1.

The convictions credited to Johnson's office now include six gangsters and two politicians. All were convicted on income tax fraud charges.

Sentences of 18 months have been given County Assessor Gene Oliver and State Representative Lawrence C. O'Brien. Another politician, former Building Inspector Chris Paschen, is under indictment.

Jack Guzik, known as Capone's "right hand man," has appealed a sentence of five years and one day; and Ralph Capone, brother of Scarface Al, is awaiting the outcome of his appeal of a three year sentence.

One of the first gangsters to be tried, Frank "The Enforcer" Nitti, also pleaded guilty and was sentenced to 18 months.

Terry Druggan and Frankie Lake, beer barons, await the result of Ralph Capone's appeal. Both pleaded guilty. All of the convicted gangsters, with the exception of Sam Guzik, are listed as "public enemies" in Chicago.

sulted in a net loss of $112,000 over and above all gains, and that as a consequence the gangster was left without funds with which to defray the costs of an expensive trial.

Judge Wilkerson granted Guzik a stay of execution of the sentence to June 1 to permit time for the straightening out of his affairs.

William E. Nichols, salesman for the Wisconsin Lime and Cement company, and alleged tax fixing friend of Gene Oliver, pleaded not guilty to his income tax charges before Judge Wilkerson yesterday. The trial was set for June 22.

WHITE ASKS WRIT

William J. (Three Fingered Jack) White, convicted of the murder of Policeman Edward Pflaume of Forest Park and facing 14 years in prison, filed a petition for a writ of habeas corpus yesterday in the Illinois Supreme court. The writ alleges that White is illegally restrained of his liberty because the state had no authority to reindict him for the murder of the policeman after he was once tried on another indictment for the same offense.

White was tried and convicted the year following the murder, which occurred Dec. 13, 1925. The Supreme court, however, reversed the verdict of the jury sentencing him to life imprisonment. The case was then stricken from the docket with leave to reinstate. No action was taken for several years.

State's Attorney Swanson ordered the old murder charge against White revived at the time the drive started last fall against gunmen, hoodlums, and racketeers. A new indictment was returned and White was convicted. His motion for a new trial has not yet been disposed of.

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ned Judge Wilkerson yesterday that Sam Guzik's income, totaling more than $380,000 for 1927, 1928, and 1929, was derived primarily from slot machine and stock market operations. He said the defendant had the slot machine concession for the district bounded by Lake Michigan on the east, 35th street on the south, Halsted street on the west, and Harrison street on the north.

Guzik also had a substantial income from a saloon at 2243 Cottage Grove avenue, Mr. Green said. The evidence would have shown, said the prosecutor, that Guzik maintained a brokerage account with B. E. Rice & Co. and four bank accounts, two under his own name and two under aliases, Sam Miller and Sam Lee, at the Equitable Trust company. Guzik allegedly owed the government a total of $63,875 in taxes.

Doesn't Fear Felony Counts.

Capt. William F. Waugh, Guzik's attorney, declared that his client had no fear of three felony counts, charging attempts to defeat and evade taxes, but that as to three misdemeanor counts, charging willful failure to file returns, there was no defense.

Attorney Waugh also declared that Guzik's stock market speculations re-

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Tribune
April 18
1931

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Frank Nitti, Capone captain, now serving an eighteen month term on a plea of guilty to tax evasion.

Terry Druggan, former beer baron, pleaded guilty to tax evasion, sentence awaiting outcome of Ralph Capone peal.

TOLEDO OHIO NEWS BEE
SATURDAY, APRIL 18, 1931.

APONE

By United Press.
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in use. What are they?

If you're interested in the answer to this modernistic little riddle, you'll have to go to the Milwaukee Gas Specialty Co. of Milwaukee to find the answer. This concern is the world's largest manufacturer of gas stove lighters, installed on nearly every quality gas range made.

Since 1914 Milwaukee Gas Specialty has been experimenting and perfecting its fuel saving "pilot light" which housewives the world over find so convenient. Possessing exclu-

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AKRON OHIO TIMES PRESS
SATURDAY, APRIL 18, 1931.

RACKETEER GUILTY

U. S. Attorney Johnson Gets Eighth Conviction on Income Cases

By United Press

CHICAGO, April 18.—The 100 per cent record of United States Attorney George E. Q. Johnson, fighting gangs and corrupt politicians by means of income tax fraud prosecutions, numbered eight convictions today with Sam Guzik, brother of Al Capone's chief lieutenant, facing one year in Leavenworth Penitentiary and $2500 fine.

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Frankie Lake, Druggan's former partner, also pleaded guilty, awaiting sentence.

Tony [Mops] Volpe, another Capone henchman, facing deportation to Italy for illegal reëntry.

Two Politicians Convicted.

In addition to the public enemies two politicians, County Assessor Gene Oliver and State Representative Lawrence C. O'Brien, have been convicted and sentenced to eighteen months each in prison for income tax dodging. Both are appealing. Former Building Commissioner Christian P. Paschen is under indictment on this charge.

Aroused public sentiment against the gangs also has been reflected in the prosecutions in state courts. Three notorious hoodlums have felt the force of these blows. They are:

William J. [Three Fingered Jack] White, convicted of murdering a Forest Park policeman and his punishment fixed at 14 years in prison.

James [Fur] Sammons, rapist and murderer, sent back to Joliet penitentiary to serve out thirty years of a term for murder.

George [Red] Barker, associate of White in labor racketeering, sent back to the penitentiary to serve out an unexpired robbery term.

Tells of Guzik Income.

The pleas of guilty in the federal income tax cases are regarded as significant. District Attorney Johnson has a record of 100 per cent in prosecutions and the gangsters, it is believed, are beginning to realize the inevitable and to think of "copping pleas."

Assistant United States Attorney Dwight H. Green informed Judge Wilkerson yesterday that Sam Guzik's income, totaling more than $380,000 for 1927, 1928, and 1929, was derived primarily from slot machine and stock market operations. He said the defendant had the slot machine concession for the district bounded by Lake Michigan on the east, 35th street on the south, Halsted street on the west, and Harrison street on the north.

Guzik also had a substantial income from a saloon at 2243 Cottage Grove avenue, Mr. Green said. The evidence would have shown, said the prosecutor, that Guzik maintained a brokerage account with B. E. Rice & Co. and four bank accounts, two under his own name and two under aliases, Sam Miller and Sam Lee, at the Equitable Trust company. Guzik allegedly owed the government a total of $63,875 in taxes.

Doesn't Fear Felony Counts.

Capt. William F. Waugh, Guzik's attorney, declared that his client had no fear of three felony counts, charging attempts to defeat and evade taxes, but that as to three misdemeanor counts, charging willful failure to file returns, there was no defense.

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Tribune
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If you're interested in the answer to this modernistic little riddle, you'll have to go to the Milwaukee Gas Specialty Co. of Milwaukee to find the answer. This concern is the world's largest manufacturer of gas stove lighters, installed on nearly every quality gas range made.

Since 1914 Milwaukee Gas Specialty has been experimenting and perfecting its fuel saving "pilot light" which housewives the world over find so convenient. Possessing exclu-

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Chicago, Tribune
Saturday April 18
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Judge Wilkerson granted Guzik a stay of execution of the sentence to June 1 to permit time for the straightening out of his affairs.

William E. Nichols, salesman for the Wisconsin Lime and Cement company and alleged tax fixing friend of Gen. Oliver, pleaded not guilty to his income tax charges before Judge Wilkerson yesterday. The trial was set for June 22.

WHITE ASKS WRIT

William J. (Three Fingered Jack) White, convicted of the murder of Policeman Edward Pflaume of Forest Park and facing 14 years in prison, filed a petition for a writ of habeas corpus yesterday in the Illinois Supreme court. The writ alleges that White is illegally restrained of his liberty because the state had no authority to reindict him for the murder of the policeman after he was once tried on another indictment for the same offense.

White was tried and convicted the year following the murder, which occurred Dec. 13, 1925. The Supreme court, however, reversed the verdict of the jury sentencing him to life imprisonment. The case was then stricken from the docket with leave to reinstate. No action was taken for several years.

State's Attorney Swanson ordered the old murder charge against White revived at the time the drive started last fall against gunmen, hoodlums, and racketeers. A new indictment was returned and White was convicted. His motion for a new trial has not yet been disposed of.

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MILWAUKEE WIS
SATURDAY, APRIL 18, 1

Seventh Chicago Gangster Trapped in Tax Net

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By International News Service.

CHICAGO, April 18—With the conviction of Sam Guzick, Georgeo E. Q. Johnson, United States district attorney, today chalked up ~~seven scores in~~ his income tax assault on Chicago's so-called politico-criminal alliance.

Guzick, brother of Jack, who is business manager of Al Capone enterprises, was sentenced to Leavenworth Friday for a year and a day and fined $2,500.

Guzick, who pled guilty to dodging payment on a $380,000 income for three years, became the ninth defendant and the seventh gangster to feel the lash of the federal prosecutor.

Others who have been convicted, all listed as "public enemies," except Guzick, follow:

Al Capone, sentenced to six months in jail for contempt of federal court.

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INCOME TAX PROSECUTIONS HIT HARD BLOWS AT RACKETEERING

New York City Times April 19, 1931

Having Won Success in Chicago, the Federal Forces Have Moved On New York to Conduct Investigations in This City

Crime

Fresh from victories won in Chicago, where indictments and convictions have been obtained against racketeers who failed to report their plunder on their income taxes, the Federal authorities have launched a similar campaign in New York. Co-operating with United States Attorneys, investigators from the Internal Revenue Bureau are now looking into the financial operations of a number of New York characters, and the first indictments have been handed down. The following article describes the results of the Chicago campaign which is being repeated in New York.

By FRANK A. SMOTHERS.

CHICAGO.

CHICAGO is beginning to realize that it has a strong weapon against its racketeers and gangsters, who for years have seemed immune from effective attack by the authorities. This weapon is the Federal law, as enforced by George E. Q. Johnson, United States District Attorney for the Northern District of Illinois.

As the years passed, with the city's gang leaders going unpunished, Chicago had grown cynical concerning the ability of State and local officers of the law to cope with them. But for more than a year the city has been acquiring a different impression regarding Federal law and its enforcement, and now that impression is rapidly changing to assurance.

Federal Accomplishments.

The reputation of the Federal weapon rests not upon ballyhoo, but upon facts, among which are these:

A jail sentence for Scarface Al Capone, probably the most powerful gang entrepreneur in America's history, who is designated as Number One in Chicago's list of "public enemies."

A pentenitary sentence for Ralph Capone, his brother, Number Two in the list.

A penitentiary sentence for Frank Nitti, known as "the enforcer," in token of his place as chief of the strong-arm department by which Capone's edicts have been enforced.

A penitentiary sentence for Jake Guzik, also a headliner in the Capone organization, and a Federal indictment against his brother Sam.

Pleas of guilty to Federal charges from Terry Druggan and Frankie Lake, pioneers of the large-scale liquor racket of the Middle West, often designated as the "squires," because they indulge in country estate life.

The Federal arm, in its attack upon outstanding persons, has not confined itself to striking at gangsters. Powerful Chicago politicians have felt it, to their grief. Gene C. Oliver, Assessor of Cook County, and State Representative Lawrence C. O'Brien are under Federal sentence, and a Federal indictment stands against Christian P. Paschen, Building Commissioner in the Cabinet of former Mayor William Hale Thompson.

Income Tax Charges.

In all the foregoing cases excepting that of Scarface Al, the charge has been substantially the same: violation of the income tax laws. Capone's present sentence, a short one, fixed at six months, is for contempt of court. But it is reported that the government is also preparing an income tax case against him, which, if successful, would send him to prison for a considerably longer time.

The attack by the government is a flank attack, as District Attorney Johnson describes it . It has struck, as it were, from the side, a vulnerable side. Gangsters and politicians have found that it is not so easy to cover up income tax violations as certain other matters.

The sentences provided so far, ranging from eighteen months to five years in prison, accompanied by large fines were sufficiently heavy to have proved uncomfortable to those who received them. To be sure, only Nitti has actually started serving time. Appeals are pending in the other cases in which convictions have been obtained. But little if any hope is held out for the appeals. Likewise the indictments are taken with great seriousness. Mr. Johnson does not prosecute until he is convinced on the basis of the evidence that he [illegible] because they demonstrate that the culprit is not immune to the law. Discussing the convictions of Ralph Capone and Jake Guzik, he has said: "Ralph Capone and Jake Guzik can never again be leaders in organized crime. Their immunity—or gangdom's belief in their immunity—is gone. That was their stock in trade. They will not be able to count on old loyalties when they come out of prison."

In addition to hurting gang morale, this demonstration of the lack of immunity of gang chieftains unquestionably has another important effect: it strengthens public morale. It makes honest citizens feel that there is some use, after all, in taking a stand against organized criminals.

In person Mr. Johnson, the mainspring of the drive, is not the prosecutor standardized in detective stories. A friendly man, with rather soft, wavy hair and a quiet, pleasant manner, he might be thought a cultured minister; and, indeed, he is a church worker of long standing.

Associated Press Photo.

Ralph J. Capone.

In dealing with gangsters, he has shown that his quietness is of a very cool kind. This coolness was well illustrated in a parley which he, with two of his aides, had with Ralph Capone before that self-confident man realized that he was in the income tax toils. Capone had been brought before the prosecutor, so the gangster thought, in connection with prohibition liquor matters, and he was not much concerned over these matters. He was affable; he started out by playing the part of a captain of industry who could afford to be generous with Federal officials. Having asked whether he might smoke, and having been informed that he might, he laid a handful of cigars on the table. A sensitive soul might have been hurt by the fact that nobody took a cigar, but seemingly Ralph was not.

He was a big fellow, and he talked as such. He saw no harm in boasting of his financial prosperity when questions were put to him touching upon it. As the conversation proceeded, he revealed to the quiet, studious District Attorney that he had bank accounts under five different aliases in the Pinkert State Bank of Cicero, Ill., the Chicago suburb which has gained international notoriety for its liquor, gambling and vice activities.

The examination over, Capone was still confident. "You don't have anything on me," he said.

"Only enough to send you to the penitentiary," replied Mr. Johnson.

In the trial, held before a jury in the court of Federal Judge James H. Wilkerson, testimony revealed that between 1924 and 1929 Capone had deposited about $1,871,000 at the Cicero bank. On that basis, it was contended that he had evaded payment of about $300,000 in income taxes, interest and penalties.

Government investigators and prosecutors had done a thorough job of preparing evidence. For example, when defense lawyers attempted to paint Capone as a gambler who had lost heavily in operating a handbook, the prosecution called saloon-keepers to testify that they had paid him $55 a barrel for quantities of beer.

The verdict, given April 26, 1930, was guilty. In June Judge Wilkerson imposed a sentence of three years in the Leavenworth penitentiary and a fine of $10,000.

Thus was brought to a successful issue the first of the income tax fraud cases against major gangsters, and action on the remaining cases followed promptly. In July Assessor Oliver was convicted. His sentence calls for eighteen months at Leavenworth and payment of a $7,500 fine. Special public interest attached to his case during the trial, when evidence was introduced that he had made large sums in "adjusting" taxes. After the conviction, the greatest pressure was exerted in the Federal Building in an attempt to win probation for the politician. But the pressure was futile.

Nitti Pleads Guilty.

Next to fall under Federal conviction was Nitti, the Capone "enforcer," one of the most ruthless gangsters Chicago has known. The best he could do when he found himself enmeshed in trouble with the government was to plead guilty to charges of evading payment of $158,823 in income taxes. Sentenced last December, he is now serving an eighteen-month term in Leavenworth. Also, he was fined $10,000.

Before December was over, Jake Guzik had been sentenced. A jury had found him guilty on charges of evading the income tax laws. According to the prosecution, he had failed to pay a tax amounting to more than $200,000 on a total income estimated at more than $1,000,000 for 1927, 1928 and 1929. Judge Woodward sentenced him to serve five years at Leavenworth and to pay a $17,500 fine.

State Representative O'Brien, having been convicted by a jury in December, was sentenced early in January to serve eighteen months and pay a $6,000 fine. It was shown during the trial that Timothy J. Crowe, when president of the Sanitary District of Chicago in its famous period of "whoopee" and wild spending, was his friend; it happened [illegible] O'Brien had a [illegible] busine[illegible] Crowe kept his friend's trucks busy at Sanitary District expense. According to a government agent named Converse, O'Brien had enjoyed a gross income of $436,000 in three years; yet he had not thought it necessary to file tax returns.

Druggan and Lake.

Druggan and Lake, in January, pleaded guilty to the income tax charges against them, but they stipulated that they could change their pleas on certain points in the event the higher court overruled the trial court on similar points in the O'Brien and Ralph Capone cases. Hence, the decisions on the O'Brien and Capone appeals are awaited with special interest. Even in the event of rulings against the government in those cases, however, "the squires," it is understood, will have to serve jail sentences of two years each. And if the government is sustained in the Capone and O'Brien matters, Druggan and Lake will be liable to sentences as high as twenty years or more, and fines of $50,000.

Such has been the progress of the income tax cases to date. There is no question that the Federal drive already has greatly impaired Chicago racketeering business. And the drive is by no means over.

1931 28

From

Sun-Telegraph
PITTSBURGH, PA.

Crime 4-19-31

7TH GANGSTER SENTENCED IN CHICAGO COURT

Brother of Capone Manager Gets Year in Prison and $2,500 Fine in Tax Case.

CHICAGO, April 18.—(INS.)—With the conviction of Sam Guzick, George E. Q. Johnson, United States district attorney, today chalked up seven scores in his income-tax assault on Chicago's so-called politico-criminal alliance.

Guzick, brother of Jack, who is business manager of Al Capone's enterprises, was sentenced to Leavenworth yesterday for a year and a day and was fined $2,500.

Guzick, who pleaded guilty to dodging payment on a $380,000 income for three years, became the ninth defendant and the seventh gangster to feel the lash of the federal prosecutor.

Others who have been convicted, all listed as "public enemies," except Guzick, include Al Capone, head man, sentenced to 6 months in jail for contempt of Federal Court; Jack Guzick, sentenced to 5 years and a day in prison and fined $17,500 for income tax evasion; Ralph Capone, brother of Al, sentenced to 3 years and fined $10,000 for tax evasion; Terry Druggan, former beer baron, pleaded guilty to tax evasion, sentence awaiting outcome of Ralph Capone appeal; Frank Nitti, Capone captain, now serving an 18-month term for tax evasion; Frankie Lake, Druggan's former partner, also pleaded guilty and sentence awaiting Capone appeal; Tony (Mops) Volpe, Capone henchman, facing deportation to Italy for illegal entry.

Significance is attached to the guilty pleas of the gangsters in that Johnson is batting a thousand in the prosecuting league. They realize the inevitable, it is said, therefore are willing to "cop a plea."

1931 29

CHICAGO ILL. POST
MONDAY, APRIL 20, 1931.

BANK RECORDS OF POLICE DEMANDED BY GRAND JURORS

Excessive Incomes Are Sought in Order to 237 Institutions.

Records of 237 banks in Cook county were demanded by subpoenas duces tecum issued by representatives of the special grand jury today, as the jurors prepared to make an intensive study of the finances and bank occounts of high police officials, captains, sergeants and any other policeman who is found to have an income greater than his salary warrants.

The subpoenas call on the bankers to produce before the jury all records of bank accounts, safety deposit boxes and financial transactions of any police officials on their records. As rapidly as the records are produced they will be taken before the special grand jury. The discovery of any wealth out of proportion to normal income will serve as the basis for an elaborate inquisition into police funds and finance.

Capt. Willard Malone of the Central station, Capt. Martin Mullen of Desplaines street, absent on sick leave, and Sergt. Owen Nangle of the Austin station were called before the jury for questioning today. They were called, it was said, in connection with the testimony of Shirley Kub, former undercover investigator for Acting Police Commissioner Alcock.

Alcock, Norton on List.

The finances of Acting Police Commissioner Alcock, Chief of Detectives Norton and all other captains and bureau heads will be carefully studied, it was announced by Assistant State's Attorney Charles Mueller, who is heading the investigation. Subpoenas for their bank accounts will follow later. The seventeen captains first on the list were not specially selected, but merely serve as a starting point, it was explained.

Prosecutor Mueller also suggested the possibility of federal income tax action against police officials with swollen incomes with the statement that all records of police finance will be available to the government investigators. District Attorney George E. Q. Johnson, who has directed the income tax drive against gangsters and politicians, had no comment to make on Mueller's offer.

Incomes Under Scrutiny.

It is known that the federal agents have investigated the incomes of several police captains, but Mr. Johnson declared that federal revenue laws prevent him from giving results of the investigation to the jury. He refused to say whether action is contemplated against any of the captains.

Six captains were questioned in the government's inquiry last fall, and federal investigators said they had found one captain who had paid $40,000 for his home, another who was said to have deposited $20,000 in a bank within three months, and a third who was reported to have lost $150,000 in the stock market.

1931 29

Alcock Drawn Into Quiz.

According to Prosecutor Mueller, Acting Police Commissioner Alcock, Chief of Detectives Norton and all other captaians and bureau heads are to have their finances studied by the special grand jury. The seventeen captains who names appear on the subpeonas were not especially selected Mr. Mueller declared. The names of the rest will appear on subpeonas to be issued later. The jury is not starting out with any presumptions, he explained, but wants the facts in cold figures.

"This jury was impaneled because of assertions that the police are in a corrupt alliance with criminals," Mueller stated. "The bank accounts of the officials should furnish a basis of proof or denial of those assertions. That's what we want."

Captains Name din Writs.

The captains whose accounts are requested in the writs of today are Alfred Christensen, James Fleming, Joseph Goldberg, Michael Grady, John L. Hogan, Thomas Kilroy, Michael Lee, Daniel Lynch, Dennis Malloy, Willard Malone, Hugh McCarthy, James L. Mooney, Martin Mullen, Thomas Pilkington, John Predergast, Paul Wheeler, and Thomas Wolfe.

As fast as the bank records are obtained the captains are to be called before the grand jury for explanations, according to the announced plan. Meanwhile the real estate holdings, stock transactions, and any business ventures of the police commanders are to be sought. The captains will be required to sign immunity waivers before they appear before the jury, Mr. Mueller said.

1931 29

CHICAGO WILL END GANG RULE BY '33, U. S. OFFICER SAYS

Leaders Either in Prison or Already on Way There, Johnson Reveals.

DEPLORES PROTECTION

Federal Prosecutor Explains Over Radio Growth of Crime.

4-20-31
Albany New York Press

CHICAGO, April 19 (UP).—Chicago will have wiped out her gangs before the world's fair here in 1933, United States District Attorney George E. Q. Johnson promised the millions of potential fair visitors tonight.

In fact, said Johnson in a nation-wide radio broadcast, the "city that has wiped out its gangs" will be among the finest of the exhibit available.

Johnson spoke on organized crime, which he said is instigated in the order of their importance by the national prohibition act, gambling, racketeering in trade organizations and vice.

"This type of crime breeds gangs," he said. "If our law enforcement officials make it impossible for these gangs to make money they will dry up like weeds that have been plucked out by the roots.

Face Against Crime.

"We in Chicago have set our faces against organized crime. As United States attorney I have used every weapon of the law against them. This has been so effective that Al Capone and every one of his partners are either in the penitentiary or have been convicted and given various sentences of imprisonment ranging from one to five years. Others we are deporting under the immigration laws.

"In prosecuting our income tax violators we have learned that the gang's power lies in money. Thus, Jack Guzick, the keystone to the arch in the Capone mob, now under a five year penitentiary sentence, in three years received $1,049,000 in gambling dens in Cicero. Ralph Capone, in a like period, now under sentence to the penitentiary for three years, had $1,841,000, and Frank Nitti, a Capone partner now serving a penitentiary sentence at Leavenworth, had $700,000. The only power they have is the power that money has given them.

Explains Gang Growth.

"Sometimes I am asked how it comes that these mobs can live. They live because of police and political protection. Again I am asked why it is so hard to convict them. The answer is very simple

use the gangs to increase profits and stifle competition.

"These men are all guilty of conspiracy and to stop the rackets both the gangs and those who employ them must be prosecuted.

[illegible] this we have done in Chicago. [illegible] ne to Chicago in 1933, to our [illegible] t World's Fair, and we prepare [illegible] ave, among others, one fine exhibit for you, the city that has wiped out its gangs."

FRENCH LOAN ANNOUN

1931 29

NEW YORK TIMES
20 APRIL

CHICAGO ALSO HUNTS POLICE FORTUNES

Banks Will Be Ordered to Give Facts—All Higher Officers to Be Investigated.

Special to The New York Times.

CHICAGO, April 19.—Detectives from the State Attorney's office will start tomorrow serving bankers and managers of safe deposit vaults with subpoenas directing them to produce before the special grand jury at once all their records bearing on the financial affairs of seventeen police captains and their families. The subpoenas will go to 220 banks.

It was explained that this action is only a start in the inquiry into police corruption to be made by the jury. The finances of all high police officials and several sergeants will come under scrutiny.

Government agents are reported to be investigating the incomes of certain police captains in connection with District Attorney George E. Q. Johnson's campaign against the political-crime alliance, through the medium of tax prosecutions. The government is to have access to the records of the incomes of the police commanders.

LOS ANGELES, CAL., NEWS
APRIL 20, 1931

1931 29

was under Spanish

Chicago Prosecutor Says Gang Rule Nearing End

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"This type of crime breeds gangs," he said. "If our law enforcement officials make it impossible for these gangs to make money they will dry up like weeds that have been plucked out by the roots.

"We in Chicago have set our faces squarely against organized crime. As United States attorney I have [illegible]ed every weapon of the law against them.

"Sometimes I am asked how it comes that these mobs can live. They live because of police and political protection. Again I am asked why it is so hard to convict them. The answer is very simple. They are thoroughly organized and they kill every witness who may be suspected of t[illegible] who does talk."

[illegible] 4/20/31

Crime

GATHER RECORDS AT BANKS TODAY FOR POLICE QUIZ

17 Captains' Accounts Will Be Examined.

Detectives from the state's attorney's office this morning will start serving loop bank- and managers of safe deposit vaults with subpœnas directing them to produce before the special grand jury at once all their records bearing on the financial affairs of seventeen police captains and their families.

CHAS. J. MUELLER.
[TRIBUNE Photo.]

As rapidly as the records are obtained they will be taken before the grand jury, which is investigating charges of police corruption. It was explained that the investigation of any undue wealth shown in the bank accounts of the seventeen captains is only a start in the inquiry to be made by the jury.

Wide Scope for Inquiry.

The finances of all the high police officials and of a number of sergeants will come under scrutiny. The subpoenas duces tecum call for production of the records before the jury will be served on some 220 banks in Chicago and Cook county if necessary.

Acting Police Commissioner Alcock, Chief of Detectives Norton, and all other captains and bureau heads are to have their finances studied by the special grand jury, according to Assistant State's Attorney Charles J. Mueller, who, with Assistant State's Attorney Charles E. Lounsbury, is in charge of presenting evidence to the jury.

The seventeen captains whose names appear on the subpoenas were not especially selected, Mr. Mueller declared. Subpoenas naming the rest of the police officials will be issued later, he said. The jury is not starting out with any presumptions, he explained, but wants the facts and figures.

U. S. May See Records.

The federal government will be given access to the records of the incomes of the police commanders if its agents wish to examine them, according to Prosecutor Mueller. District [illegible] George E. Q. Johnson, whose [illegible] ome tax [illegible] ampaign against the [illegible] o-criminal alliance has resulted [illegible] convic[illegible] [illegible] en gangsters [illegible] politicians, had no comment [illegible] e on the statement of Prosecutor Mueller last night.

It is known that federal agents have investigated the incomes of some police captains, but Mr. Johnson said that he was not permitted under the revenue laws to give the results of his investigation to the state grand jury. He would not say whether any action against captains is contemplated at this time.

Six Captains Questioned.

In the government's inquiry last fall, at least six captains were ques-

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CHICAGO ILL TRIBUNE
MONDAY, APRIL 20, 1931.

GATHER BANK RECORDS TODAY FOR POLICE QUIZ

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Although no indications appeared yesterday of the federal government's attitude on the grand jury's investigation, it was reported that government agents already are investigating the incomes of certain police captains in connection with District Attorney George E. Q. Johnson's campaign against the politico-crime alliance through the medium of tax prosecutions.

U. S. to Get Records.

The government is to be given access to the records of the incomes of the police commanders, according to Assistant State's Attorney Charles J. Mueller, who is in charge of presenting evidence to the special grand jury. District Attorney Johnson said yesterday that, while his office had investigated the finances of a number of captains, he was not permitted under the revenue laws to give the results of his investigation to the state grand jury. He would not say whether any prosecutions of captains are contemplated at the present time.

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LOUISVILLE, KY., TIMES
APR. 20, 1931
A28

BANK ACCOUNTS OF COPS PROBED

State's Attorney In Chicago Seeks Light On Corruption Charges.

U. S. ALSO IN INQUIRY

E

Chicago, April 20 (UP)—Three police officials went before the special grand jury today for questioning about their bank accounts in a duplication of New York City's drive against grafting officials.

The grand jury called Capt. Willard Malone, assigned to the loop; Capt. Marty Mullen of the West Madison Street "drifter" district and Sergt. Owen Mangle.

Available to check the policemen's testimony about bank accounts were the records of more than 200 banks, seized under subpoenas duces tecum, which were to be lugged into the grand jury room this afternoon.

Fifteen other police captains have been called before the jurors. Those heard today were said to have been implicated in the testimony of Mrs. Shirley Kub, former special investigator for Police Commissioner John Alcock. Eventually, all seventy captains on the force will be examined about their deposits.

Assistant State's Attorney Charles J. Mueller said the special grand jury demanded evidence to bear out charges that "the police are in a corrupt alliance with the criminals of Chicago."

Mueller said the records would be given to the Federal Government to aid its fight against organized crime should the evidence disclosed warrant Federal consideration.

Federal prosecution of gangsters and politicians under United States Attorney George E. Q. Johnson has ~~resulted in the conviction of six gang-~~sters and two politicians on charges of income tax fraud.

Evidence of great wealth in the records of the police officials may furnish a basis for tax fraud prosecution, it was said.

In a nation-wide radio speech last night, Johnson prophesied that visitors to the Chicago World's Fair in 1933 would find this "a city that has wiped out all its gangs."

Assigned to the Chicago area to fight the gangs, Johnson has won every case prosecuted by him. He attributed gang power to police and political protection.

CHICAGO ILL TRIBUNE
MONDAY, APRIL 20, 1931.

29

GATHER BANK RECORDS TODAY FOR POLICE QUIZ

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MONDAY, APRIL 20, 1931

HE FIRST STORY OF AL CAPONE IN LINGLE INQUIRY

ang Chief Offers to Help Find the Murderer.

Sixteenth installment of "The So- tion of the Lingle Murder."

BY JOHN BOETTIGER.

CHAPTER XVII.

There came a time, during the in- stigation of the murder of Alfred ingle when Scarface Al Capone him- lf, the king of the gangs, came aring the white flag of truce, suing r peace.

Al Capone, disturbed at last, his unted power over police and politi- ans upset by a handful of honest en working under the orders of Pat oche nd Charles Rathbun.

These officials had reckoned that mewhere along the gang front the nes would break under a constant ressure of raids and gangster arrests. hey were right, but they little realized how high up the break would e.

The first word from the gangs since he investigators of the Lingle mur- er case began their earnest assault pon the gangsters and the resorts of apone.

Secret Closely Guarded.

ly enough, the date of such a entous occasion has been forgot- . There never was even a memo- ndum taken of what transpired with he gang czar, so closely was the se- ret guarded. But recollection of other vents places the date at about the 1st of October.

And the mind does not fail in re- alling the facts surrounding the ac- ivities of Scarface Al Capone in the ingle murder case.

A wealthy business man appeared n the office of the investigators at he Temple building and he asked to see Rathbun and Roche. He was admitted and at once, in low tones that would not reach the adjoining offices, stated his mission.

The 'big fellow' wants to see ."

he "big fellow" was Al Capone.

Meeting Finally Arranged.

ut Rathbun and Roche didn't want see Capone; they wanted to fight . No good to any one could come an interview between Rathbun nd Roche and Capone. Nevertheless, he spokesman for the king of the gangs persisted, and at length it was agreed that a representative of the ingle staff would meet Capone. His ity and the identity of the Ca- messenger will remain a secret, the reasons for this would seem o be obvious.

The Rathbun-Roche agent, who will esignated for convenience as Op- ve No. 1, met with the Capone man late on a night about the

GANG CHIEF TRIES TO STOP HUNT

Al Capone, city's leading gangster, who offered to help clearing Lingle murder mystery on condition that his gang should not be interfered with by the investigators working under Charles F. Rathbun and Pat Roche.

[TRIBUNE Photo.]

Frank Nitti, one of Capone's principal lieutenants, whose arrest was the answer of the Lingle murder investigators to Capone's offer of help on conditions. Nitti had long been sought for the evasion of federal income taxes.

[TRIBUNE Photo.]

doubt. Barker sent back to prison. White facing a new trial for murder. Sammons arrested. Maddox arrested. Capone himself facing a vagrancy charge. The gang's dens of profit shut down.

Lingle Murder Enters Talk.

Operative No. 1 replied:

"So far as I can tell you, the gaff is on for keeps. This town has been burning up since Jake Lingle was murdered."

"Well, I didn't kill Jake Lingle, did I?"

"We don't know who killed him."

"Why didn't you ask me? Maybe I can find out for you."

"Maybe you can."

"I don't know what the fellow that killed Jake looks like. I know none of my fellows did it. I liked Lingle, and certainly I didn't have any reason to kill him."

Capone was given a complete description of the killer. Operative No. 1 thought this rather a useless procedure, since the description had been widely broadcast and Capone must certainly have been curious enough on his own account to obtain a description of the murderer.

A Motive Is Suggested.

Then the gang leader volunteered what he thought might be the motive for Lingle's murder.

It was just another motive, added to the hundreds of earlier ones which had been ad anced, chi y by the

um, and Herbert Byfield, president of White City, to his office, and warned both that if attempts were made to start dog racing at either place raids would follow.

The Capone tracks were operating under an injunction against interference by the authorities, issued by the Circuit court, and the Duggan group sought the same privilege. An injunction suit was filed, but this injunction was denied and meanwhile the Supreme and Appellate courts handed down decisions holding dog racing to be illegal.

At the time there was no connection publicly shown between the Duggan project and the north side gang.

The Version of Capone.

Capone, squatted there in his easy chair before the fireplace, told Operative No. 1 that the north side gang was behind the Stadium dog track venture.

"I have been told," the gangster said, "that Lingle was asked by the Zuta crowd to see to it that the police and the state's attorney would not bother them, and that Lingle was paid $30,000.

"Then Pat Roche called in Strotz and Byfield and jammed the works. When the gang saw that they could not go they blamed Jake Lingle, and I think that's why he was pushed (killed).

"But I don't know who they used to do the job; it must have been some fellow from out of town. I'll try to

ability of the theory advanced b Capone, they decided there was noth ing they could do in the situation bu await developments.

KILLING OF JOE AIELLO

Meanwhile the war on the Capone gang was not abated. But Capone did a little warring on his own account, it appeared.

Joe Aiello, that defiant, ambitious Sicilian who aspired so high in the realm of crime, and who had scorned to bow to the rule of Capone, was shot to death on the 23d of October.

Bugs Moran might be spared, but not Aiello.

Joe Aiello was tough, a man whose cruel and murderous traits inflamed his overpowering ambition to lead his people, to reign over the Unione Siciliana, to be the king of bootleggers.

The Lombardo Slaying.

He had been friends with Capone in earlier days, and his closest business friend was Antonio Lombardo. His unreasoning ambition caused Aiello to break with both these friends, and one of them, Lombardo, who was the head of the Unione Siciliana, was shot to death as he walked in the Chicago loop, at the crowded corner of Dearborn and Madison streets.

The bitter feud of Aiello and Capone never died, although twice they had signed treaties of peace—treaties made only to be broken.

Aiello lost the struggle. His partners were killed or they deserted him; his henchmen fled in fear. He was forced into hiding.

And then Aiello went the way of so many of the enemies of Capone.

A Machine Gun Ambush.

Thirty-five steel vested bullets, streaming from machine guns hidden in two nests surrounding Aeillo's hiding place, fond marks in the body of Chicago's toughest gangster.

The assassination was staged at Kolmar and West End avenues, on the far west side of Chicago. Aiello had taken refuge in the apartment home of a business partner. Pasquale Prestogiacomo, at 205 North Kolmar avenue.

Somehow the killers of Aiello had learned of his hiding place. They had rented one apartment opposite the Prestogiacomo home with a front window facing directly upon the front doorway of the Aiello refuge, and another apartment in a building just south of the gangster's haven.

Wait 10 Days for Victim.

For ten days the gangsters, their machine guns poised, lay in wait until a time when Aiello should emerge from Prestogiacomo's home. They were patient killers, for their prey never left his refuge until that evening of Oct. 23.

On that night he had made arrangements to go to St. Louis, and he summoned a taxicab, by telephone, to take him to the railway station. When the rain of bullets started Aiello made a last vain draw for his own revolver. Wounded, he ran from the course of fire directed from the one apartment, but he staggered full into the path of the machine gunners in the other apartment, and he fell to the ground and died.

Prestogiacomo disappeared, but later he surrendered for questioning, and he was released. An effort was made t find the men who had rented th apartments from which the murde ous fire was directed, but they we never found.

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tle group of faithful men, their raids upon the dens of the gangs, and meanwhile the state's attorney's ffice was proceeding with the preparation for the retrial of the Capone gster, Three-Fingered Jack White, he old murder charge.

ssistant State's Attorney Harry

go at the sergeant's face.

Heavy slugs in the shotgun charge tore into McBride's shoulder and crashed into his jaw. The sedan sped away from the scene so rapidly that difficulty was encountered by the witnesses in identifying it.

McBride was rushed to a hospital, and Dr. Philip Kreuscher

1931 30

MONDAY. APRIL 20. 1931.

Tribune Chicago

GEORGE E. Q. JOHNSON SAYS PRIVILEGE IS SUPPORT OF GANGS

United States District Attorney George E. Q. Johnson, who has won nine convictions in his income tax drive against Chicago's politico-criminal alliance, in a radio broadcast last night declared gangs can be wiped out only by taking away privileges on which they feed. He divided crime into two classes, sporadic crime and organized crime.

"Organized crime operates in four types of violations, prohibition, gambling, racketeering, and vice," Mr. Johnson said. "Organized crime makes crime a business; it is born of privilege. Privilege means immunity to violate the law granted by some law enforcement official. A gang is an organization of men engaged in the business of violating the law, the leader of which is a pasty faced crook with political and police connections, and the members of his gang are graduates from colleges of crime, known as penitentiaries.

"There is just one way to stamp out these gangs and that is to wipe out the thing they feed upon—privilege. If our law enforcement officials make it impossible for these men to make money they will dry up like a wood that has been plucked out by the roots.

"We in Chicago have set our faces squarely against organized crime. As United States attorney I have used every weapon of the law against criminals."

Ditchburne, who was earning an enviable record as the prosecutor of the public enemies, and who was well assisted by Assistant State's Attorney James Brown, had called in Sergt. James McBride of the Bellwood police, who took part in the 1925 gun battle, which ended in the killing by White of another policeman, Edward Pflaume of the Maywood force.

McBride, rated as one of the best policemen in the west suburbs, joined in the investigation, and assisted the prosecutors in bringing in witnesses. McBride himself was the chief witness against White, since he had witnessed the murder of Pflaume in the Mannheim inn and had been wounded himself by the gangster's fire.

Attempt to Kill McBride.

But the Capone gang was not to submit tamely to the conviction of White. They had once provided lawy rs to battle the previous conviction of White to the Illinois Supreme court, and there the life sentence had been reversed and the case ordered to a retrial, which had never been held.

On the morning of the 30th of October McBride was riding in a street car in Maywood, bound for the Criminal courts building for a conference with Ditchburne and Brown.

The car rambled slowly down the Maywood streets, and suddenly a sedan appeared behind the street car, nd then it was driven alongside the ar, until it came abreast of the winow behind which Sergt. McBride was tting.

Shoots Into Street Car.

A an riding in the front seat of lan poked a sawed off shotgun h the automobile window, and

surgeon and bone specialist, was summoned to treat his wounds. Part of the sergeant's jaw had been blown away, and for a time it was feared that the gangsters' effort to kill the chief witness against Gangster White might be successful. But McBride recovered. He will always carry the scars inflicted by the man who would have murdered him.

SEIZE FUR SAMMONS

When Roche received the news of the assault upon McBride he ordered that every policeman assigned to the state's attorney's office be held in readiness, and he and Prosecutor Rathbun led them personally in a search for White's pals, some of whom might have perpetrated the attack.

Late that night Roche and Rathbun burst into an apartment at 80 North Highland avenue, Riverside, where Fur Sammons was seized, in bed with a .45 caliber automatic at his side. The address was the home of a sister of Three-Fingered Jack White.

Sammons protested that he could not have shot McBride, that he had been in the Criminal courts building at 10 o'clock that morning. McBride was shot at 9:20. It was possible that Sammons could have been at both places, but when the gangster was taken to the bedside of the suffering McBride the sergeant, unable to speak, shook his head.

The Raid to Take Nitti.

Roche and Rathbun, with their men, returned to the Criminal courts building and settled down wearily in chairs in Roche's office. It was past two o'clock in the morning.

Roche's telephone rang.

"Now what the hell at this time of morning!" he exclaimed as he lifted the receiver.

"Hello," he said, and then: "All right, come on over. I'll wait for you."

He turned in his chair and said: "That was the government fellows. They've got a tip on Frank Nitti. They're coming right over and we're going to take Nitti."

Sought on U. S. Charge.

Frank Nitti, the business manager of the Capone gang, a clever gang financier, had been sought for months under a federal indictment charging him with evasion of the federal income tax laws.

The government agents arrived and, with Rathbun, Roche, and several of the latter's men, journeyed out west again, this time to 3201 South Clinton avenue, Berwyn. It was only a few blocks from the Riverside apartment at which Sammons had been caught a few hours earlier. The aces of the Capone gang were finding refuge in the western suburbs, away from the "heat" in Chicago.

While two men guarded the rear of the building, Roche and his men forced the lower door in front and slipped noiselessly to the third floor. Bangs on the door at first met no response, but at last a woman's voice, full of fright, asked who was there.

Nitti Found in Pajamas.

Informed that police officers wanted entrance, the woman at first refused to open the door, but at last the men were admitted. In a bedroom of the lavishly furnished apartment the raiders found a little man in pajamas who protested volubly against the intrusion, and asserted he was Frank Belmont, a reputable business man.

But it was Nitti, and when he saw it was Roche who had him, he made no further pretenses. He was lodged in jail under the federal charge. His young bride, for it was she who had opened the door, was left behind.

In a small cabinet by Nitti's bed the raiders found a clipping from an afternoon newspaper, dated two weeks before. It said: "Nitti on way to Italy as U. S. hunts, report." He must have got a few chuckles out of that one.

Maddox Also Arrested.

Roche had ordered a hunt for Claude Maddox, the Capone gangster and pal of White, who was a suspect in the attack on McBride, and the same day as the Sammons and Nitti captures Maddox was arrested by Investigators Joseph Keating and William Nihill, who had been associated with Prosecutors Ditchburne and Brown and Sergt. McBride in the White murder trial preparations.

Maddox was arraigned on the charge of shooting McBride before Justice of the Peace George Lee of Maywood, who fixed the gangster's bail at $50,000. Later Judge Joseph B. David, on a habeas corpus plea, reduced the bond to $15,000, and then Magistrate Lee, defying Judge David, raised the bond again, this time to $100,000. But Judge David reduced it a second time.

When McBride's condition permitted, he was taken, now heavily guar ed, before the grand jury, to testif against Maddox, and the grand juror indicted the gangster and set an unusual precedent by fixing his bail a $50,000.

Refuses to Reduce Bond.

The gang lawyers pleaded with Chief Justice McGoorty to reduce thi bond, but he refused, and eventuall Maddox's friends were forced to pu up $112,000 in real estate as a bond to effect his release. Maddox at thi writing is awaiting trial on the assault to murder charge.

The Capone gangsters were bein put to strenuous efforts to provide bai for the multitude of charges facin them. Frank Nitti languished in jai for two weeks before he was able t put up the bond required by the federal courts. And Nitti was not use to jail beds and jail fare.

The "heat" was on the Capone gang for fair, but still the king o Chicago gangdom was seeking t clear up the murder of Alfred Lingl —or so he pretended, at least, as shal be told.

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N. Y. City Times

CHICAGO ALSO HUNTS POLICE FORTUNES

Banks Will Be Ordered to Give Facts—All Higher Officers to Be Investigated.

Special to The New York Times.

CHICAGO, April 19.—Detectives from the State Attorney's office will start tomorrow serving bankers and managers of safe deposit vaults with subpoenas directing them to produce before the special grand jury at once all their records bearing on the financial affairs of seventeen police captains and their families. The subpoenas will go to 220 banks.

It was explained that this action is only a start in the inquiry into police corruption to be made by the jury. The finances of all high police officials and several sergeants will come under scrutiny.

Government agents are reported to be investigating the incomes of certain police captains in connection with District Attorney George E. Q. Johnson's campaign against the political-crime alliance, through the medium of tax prosecutions. The government is to have access to the records of the incomes of the police commanders.

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ed that at this time the gang chiefin was being sought on a vagrancy warrant issued by Judge Lyle, and the operative was warned not to attempt an arrest.

e had no previous knowledge of ere he and Capone were to meet, l that night he was led by the Caone representative to the latter's uburban home, a handsome residence urrounded by old elms and beautiful- landscaped grounds. During the le out there, Capone's man was eful to guard against followers.

Operative Meets Capone.

ey entered the home. A servant their coats, and then Operative 1 was led into the drawing room. here stood Alphonse Capone.

The gang boss came forward with nd advanced in greeting, and he ckoned the visitor to a chair by the replace. Capone took another chair, nd his heavy bulk sank deeply into he downy cushions. The host withdrew, leaving Capone and Operative No. 1 alone.

Here's what I want to tell you, I won't be long about it," said Capone. "I can't stand the gaff of these raids and pinches. If it's going to keep up, I'll have to pack up and get out of Chicago."

The "heat" had begun to blister, no

most of which were contradictory, and none of which was susceptible of proof.

It should be borne in mind that ascribing these motives for Lingle's murder would be libelous if Lingle were alive and the proof was not forthcoming. And it should also be stated that the motive advanced this night by Capone never was substantiated by any evidence, and undoubtedly was false.

"I have heard," said the gangster overlord, to operative No. 1, "that Lingle was involved in the attempts of the north side gangsters to open a dog track in the Stadium."

The Dog Track Situation.

By way of explanation, it should be stated that up to a month before the murder of Lingle the Capone gang had been operating two dog race tracks, one in Cicero, the other in Thornton. The north side gang had operated the Fairview dog track, but it had burned to the ground.

Meanwhile a movement was put under way to establish an indoor dog race track in the Chicago Stadium, and this was promoted by a Canadian sports promoter, Thomas J. Duggan. Another plan had been discussed to open dog racing at White City.

Chief Investigator Roche summoned Sidney Strotz, president of the Stadi-

Capone," said Operative No. 1, "bu don't think it'll help you with Pat Roche."

Reveals Moran Peace Bids.

Capone said nothing. Perhaps he thought that once the Lingle case was solved the "heat" on the gangs would die out. It is more probable that he was playing a shrewd game, as will appear as this tale goes forward.

The gangster revealed that Bugs Moran, who with Joe Aiello represented the sole surviving leaders of the vanquished north side gang, had sent bids for peace to Capone.

"He wants to join up with me," the Big Fellow said, "and maybe I can trade off with him for a bit of information on the Lingle murder. I might take him in if he will tell who killed Jake."

The gang boss told Operative No. 1 that when he had information to give he would send his confidential agent to the operative. The latter was driven away from the house in the host's automobile. He surmised that Capone did not tarry long afterward in that beautiful retreat.

Operative No. 1 reported to Rathbun and Roche what had transpired, and although they doubted the pro

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APR 2

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CHICAGO, A vestigation of corruption cha a new battlef records of the seventeen poli sought by the fice.

Subpenas den bank records be ately to a Speci ordered served o financial house

More than 20 and Cook Coun produce records depositors. Any wealth will brin volved before th State's Attorney

In explaining t State's Attorney said the Special manded eviden charges that "th corrupt alliance of Chicago."

Mueller said th iven to the Fede aid its fight again should the evide rant federal con

Federal prosecu and politicians by orney George E. esulted in the angsters and t harges of income

Evidence of gr ecords of the p rnish a basis fo tion, it was sai

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CHICAGO ILL DAILY NEWS
MONDAY, APRIL 20, 1931.

CALL 25 BANKERS TO AID JURY IN POLICE INQUIRY

Inquisitors Hear Two Captains and Sergeant as Quiz Is Renewed.

17 CAPTAINS NAMED

Officials of twenty-five loop banks were summoned before the special grand jury today in its first session in several weeks in the opening of an inquiry into the bank accounts and financial holdings of seventeen police captains.

Three witnesses—two police captains and a sergeant—preceded th bank officials.

Subpœnas were served by Sergt. Michael Ahern of the state's attorney's police on Capt. Willard Malone in charge of central district; Capt Martin Mullen, on sick leave from Desplaines district, and Sergt. Owen Nangle of Austin station.

The names of the three were sa to have cropped up in the grand ju testimony of Shirley Kub, undercov investigator. but in what connectio Assistant State's Attorneys Charles J Mueller and Charles E. Lounsbury refused to say.

237 More on List.

At the same time twenty-five detectives from the state's attorney's office began serving the rest of the list of 237 subpœnas upon banks, trust companies and safe-deposit concerns, whose records may prove valuable in the inquiry, which, it was indicated, might be extended to every official who has risen to sudden wealth.

Even the bank accounts of some members of the families of the seventeen captains, it was announced, would come under scrutiny of the grand jury in its search for evidence of graft among members of the department.

Following the apppearance of the twenty-five loop bank representatives today, seventy-five other bank officials, it was announced, would be called tomorrow, a like number Wednesday and the balance summoned are to be heard by the jury a week from today.

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ard Union

APR 21 1931

CHARGE CAPONE WITH FEDERAL MURDER PLOT

Chicago Tribune Says N.Y. Gangsters Trailed Law Enforcers

CHICAGO, April 21 (U P).—The Chicago Tribune said in a serial story to-day that Scarface Al Capone brought five gangsters from New York last year to kill three federal and one city law enforcer, who were driving the gangs from Chicago during the furore that followed Alfred Lingle's murder.

The men the Tribune claimed Capone planned to have killed were Detective Pat Roche, U. S. District Attorney George E. Q. Johnson, who has convicted six gangsters of evading income tax payments; A. P. Madden, federal investigator, and Frank Wilson, special internal revenue agent.

Officials learned of the plot and that the gangsters were cruising the streets in a small car, awaiting a chance to strike, the Tribune said. Capone, it was claimed, abandoned his 'unbelievable" plans when he learned the officials were aware of them.

Capone had offered, the paper stated, to find the man who killed Lingle and to turn him over, dead, to police. The offer was refused and Capone was told to "go to hell" because investigators knew he was "bluffing" in an attempt to get them to turn off the "heat" which had been applied to the gangs in the intensive search for Lingle's murderer.

The investigators also once received a fairly reliable report, the paper said, that Capone planned to have Judge John H. Lyle killed. Lyle was a leading gang fighter.

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Brooklyn Standard Union

APR 2 0 1931

CHICAGO POLICE BANK ACCOUNTS BEING SCANNED

States Attorney Seeking to Establish Link With Criminals

CHICAGO, April 20 (U P).—Investigation of Police Department corruption charges was carried to a new battlefront to-day as the records of the bank accounts of seventeen police captains were sought by the State Attorney's office.

Subpenas demanding that these bank records be submitted immediately to a Special Grand Jury were ordered served on Loop bankers and financial house managers.

More than 200 banks in Chicago and Cook County were ordered to produce records of their policemen depositors. Any evidence of undue wealth will bring the officials involved before the Grand Jury, the State's Attorney indicated.

In explaining this move, Assistant State's Attorney Charles J. Mueller said the Special Grand Jury demanded evidence to bear out charges that "the police are in a corrupt alliance with the criminals of Chicago."

Mueller said the records would be iven to the Federal Government to aid its fight against organized crime should the evidence disclosed warrant federal consideration.

Federal prosecution of gangsters and politicians by United States At- orney George E. Q. Johnson have esulted in the conviction of six angsters and two politicians on harges of income tax fraud.

Evidence of great wealth in the ecords of the police officials may urnish a basis for tax fraud prose- ution, it was said.

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APR 2 1 1931

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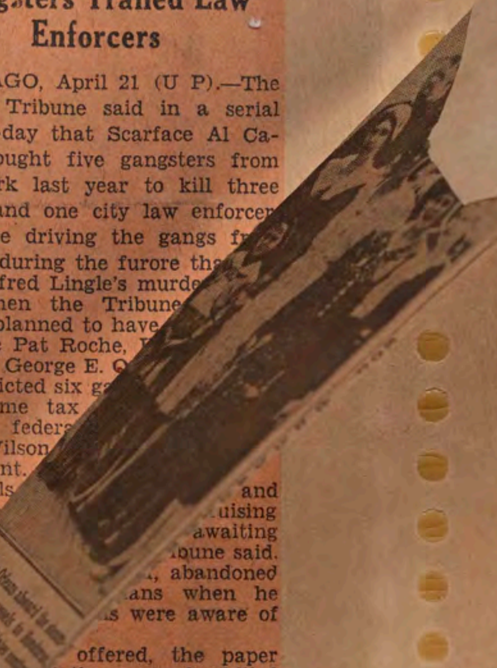

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Crime

4-21 1931

REVEAL CAPONE PLOT TO KILL 4 PUBLIC FIGURES

Gang Chief's Trickery in Lingle Quiz Bared.

Seventeenth installment of "The Solution of the Lingle Murder."

BY JOHN BOETTIGER.

CHAPTER XVIII.

"Will you take the killer of Lingle dead?"

This was the question—perhaps it was also an offer—put up to Pat Roche and Charles Rathbun at a time when they were in their sixth month of the search for the murderer of Alfred Lingle.

The message was delivered to Operative No. 1 of the Rathbun-Roche staff, through the confidential agent of Capone.

Climax of Conferences.

It came at the climax of two weeks of conferences held between the two liaison men.

Several days after the opening talk between Capone himself and Operative No. 1, the gangster's agent met with the operative, exhibiting a doleful air.

"The 'Big Fellow' has made inquiries throughout the gangs," he said, "and he has been unable to find any man who answers the description of the killer. It seems that he has been well covered up. Al has got 50 men working on the case, and he hopes to dig up something definite."

Gang Gets Some Reports.

But nothing definite came forth. The Capone agent told of reports coming into the gang that Lingle's slayer had been hurried out of Chicago after the murder, and that he was in hiding in another city. There were other gang reports that the slayer was dead.

This was always a specter to the investigators. What if the murderer of Lingle were dead and buried? However could the murder be solved? Many times isolated reports of the murder of obscure gangsters, in Chicago and out of town, were carefully scanned, and sometimes descriptions of dead men were obtained for comparison with the description of the Lingle killer.

At another time the Capone agent told Operative No. 1 that efforts to deal with Bugs Moran and to learn from him the story of the Lingle murder and the name [illegible] the killer had [illegible] refused [illegible] report stated.

Will Take Killer [illegible]

Then finally, in early November, the Capone spokesman kept a rendezvous with Operative No. 1, and with a worried countenance—it was evident that he had no stomach for his present duties—he put the question:

"Al wants to know if you will take the Lingle killer dead."

What a question it was, and how unworthy of the mind of a man who had been touted so long as a master criminal, a man of super intelligence and cunning.

That the murderer of Lingle deserved to die there was no question, but vengeance was the law's and the thought of having him delivered dead was impossible to consider. The killer must be taken alive, confronted by witnesses, brought before a jury, and then, if he was to die, it was justice.

Defy to Gang Chieftain.

Operative No. 1 notified the Capone representative that he would meet him no more, and in plain terms he added:

"You can tell Capone that we know he has been bluffing and that he can go to hell."

As a matter of fact the authorities possessed information that established a possible motive which Capone himself might have had to desire the death of Lingle. Within three days after the reporter's murder, agents of the federal department of justice came to THE TRIBUNE, inquiring whether THE TRIBUNE had any knowledge of evidence concerning the income of Capone.

The federal investigators were at work seeking evidence upon which to base an indictment of the gang chief for income tax frauds, and sought this newspaper's aid.

THREATENED

George E. Q. Johnson, United States district attorney, whose prosecution of the gang leaders for violation of the federal laws resulted in reported plot to kill him.

THE TRIBUNE knew of no evidence concerning the sources of Capone's income. But Lingle, through the familiarity he maintained with the gangster, might have possessed knowledge of the manner in which Capone disguised and concealed the sources of his illicit profits, and of banks in which Capone maintained accounts under fictitious names.

Lingle, dead, could not present evidence of Capone's income tax frauds.

It is problematical whether the gang leader knew the whereabouts of the slayer, and whether he ever would have delivered his body to a spot where the authorities could find it.

The best guess is that Capone did know, and this guess is borne out by evidence to be disclosed later. There is no doubt that if Capone thought he could remove the "heat" from himself and his gang, and bargain for a reprieve from the raids and arrests and convictions resulting from the investigators' activities, he would have done so, even at the cost of putting the Lingle murderer on a doorstep somewhere, dead.

REAL DEVELOPMENT

[illegible] a sensational development, al- [illegible] unbelievable, occurred, [illegible] it bore out the opinions of Rathbun and Roche that Capone had never intended to aid in the capture of the Lingle slayer and that his approaches were but a part of a desperate gang scheme.

A. P. Madden, chief of the Chicago bureau of special intelligence of the federal department of internal revenue, and Clarence Converse, special agent for the bureau, visited Rathbun and Roche and informed them of the revelations of a government undercover man.

The informant had told the government agents that he had learned of a meeting of Capone and members of his gang and of what had been discussed at the meeting.

Discuss Gang Conference.

The Lingle investigators were astounded to learn from the federal agents that the conferences of the Capone liaison and Operative No. 1 had been discussed at the meeting.

The utmost secrecy had guarded the facts of these conferences, so far as the Lingle staff was concerned, and only Rathbun, Roche, and two others of the staff had become acquainted with any of the details.

Yet from the lips of Madden and Converse came the whole story, as they had learned it from their informant, and this fact gave substantiation to the incredible nature of the rest of the informant's story.

Capone had related to the leaders of his gang present at the meeting some of the details of the conferences with Operative No. 1. Jack Guzik, who, with Frank Nitti, was regarded as the financial brains of the Capone gang and who was even then awaiting trial in the federal courts for violation of the income tax laws, broke out with an oath:

"For [illegible] sake, Al, you're not going through with that kind of a stunt, are you?"

The gang leader, according to the story told by the government informant, calmed Guzik and explained that he was playing a shrewd game, and that he had no intention whatever of giving up the Lingle murderer.

Plan to Slay Foes.

Then Capone—and here is the incredible part of the informant's story—revealed that he had arranged for five gunmen to be brought here from New York, and that four leading foes of the Capone gang were to be murdered.

These men, according to the informant, were:

Pat Roche.

United States District Attorney George E. Q. Johnson, now in the full swing of his prosecutions of gangsters and politicians for income tax frauds.

A. P. Madden, who had led the investigations of the gangsters' incomes.

Frank Wilson, special agent of the department of internal revenue, who in association with Johnson and Madden had gathered evidence against the gangs.

Reason to Kill Officials.

There was reason for the Capone gangsters to hate these officials. Roche was sending their men to prison, raiding their sources of revenue. Johnson, Madden, and Wilson brought the top notchers of the gang into the shadow of the federal penitentiary.

Ralph Capone, brother of Al, had been convicted of income tax frauds and was under sentence to serve three years in Leavenworth penitentiary. Nitti and Jack Guzik were awaiting trial. Harry and Sam Guzik, pandering brothers of Jack, were under indictment. Scarface Al himself was under investigation for income tax frauds, and was facing trial for contempt of court.

Roche was inclined to scoff at the informant's story of the impending assassinations, although he confessed himself disturbed by the informant's having gained knowledge of Capone's meetings with Operative No. 1.

It seemed too bizarre, too unreal, too much like a movie thriller, to be tr[illegible]

Protect Those Threatened.

Other officials were inclined to t[illegible] the information with the grea[illegible] gravity, and steps were taken to [illegible]tect those who were threatened. Me[illegible]while, an intensive investigation [illegible] launched in an effort to gain [illegible]roboration or additional details of [illegible]e Capone plot.

Secrecy surrounded all the moves of the authorities, and until now the story of this amazing underworld incident has not been revealed.

It was just at this time that Rathbun and Roche were in the midst of a strenuous activity on an angle of the Lingle investigation—the angle which brought them to success and the capture of the murderer of Lingle. It was urgent that the investigators should leave at once for New York on a phase of the inquiry, and they did leave, on Nov. 18, in the height of the investigation of the [illegible]pone plot. This investigation was in charge of the federal authoritie[illegible]

More Information Comes In.

Then, in New York, Roche rece[illegible] a telephone call from Converse, [illegible] the TRIBUNE reporter who had [illegible] along to New York was informe[illegible] new developments from his offic[illegible] Chicago.

From these agencies it was learned that new information on the Capone plot had been obtained, and it had come from an entirely unrelated source.

Information is gained by newspaper offices in a great variety of methods, and one of the best sources of news is the anonymous tipster who calls on the telephone. One of these, who was quite evidently a member of the gang underworld of Chicago, had at long intervals during the course of several years telephoned to a certain member of THE TRIBUNE staff, giving information on gang crimes.

What Information Revealed.

The TRIBUNE man had never seen his informant, but he had come to know his voice when he heard it on the wire, and he had also come to have a certain reliance in what the informant would tell him. Frequently the information thus received would be proven true, and none of it had been wholly unreliable.

This was the message:

"Say, I just want to tip you off that there's a carload of gangsters from New York in town and I heard they're going to kill some big shots here. I think they might be after Judge Lyle, because the judge has been giving the hoods such a ride lately. They're tough birds, and one of them is known as 'Max the Strong.' There's five of them and they're ridin' in a Chevrolet sedan."

"Well, when is this coming off?" the tipster was asked.

"Can't tell you any more——" and the phone was cut off.

Warning Given to Judge.

This TRIBUNE man had never heard of the Capone plot, and he notified Judge Lyle of the information he had been given and warned the judge to be careful. At the same time he called Special Agent Converse, whom he had known for years, and informed Converse of the informant's message.

The following day Converse hastened into THE TRIBUNE office to inform the TRIBUNE representative that the government informant had brought in the same information as to the arrival of the five New York gunmen. But Converse's information was that the gangsters were in Chicago in pursuance of Capone's plot to kill Roche, Johnson, Madden, and Wilson. The car in which they rode was a small blue sedan and bore a New York license, the report had it.

Here was corroboration of the plot, and with a tang of truth about it that could not be denied or passed off lightly.

Roche and Rathbun Return.

Rathbun and Roche returned to Chicago at once, leaving the New York angle of the Lingle investigation to be followed by other representatives of the staff.

Squads of detectives from Roche's force were organized, and they beat determinedly about the haunts of the Capone gang, seeking the would-be killers.

Every available source of information concerning the whereabouts of Capone himself was investigated by the authorities, and many places in which it was thought he might be hiding were raided.

A week before the reported arrival of the gangsters from New York, Jack Guzik had been placed on trial before Judge Charles E. Woodward in the federal court, and witnesses summoned by the government had woven a firm case to establish the Capone gang chief's guilt.

Gunmen Cruising About City.

On the next day after the jury in Judge Woodward's court found Guzik guilty and made him subject to a penalty of 15 years in prison, the eastern gunmen were reported from the two sources as cruising about the city.

Despite the active search for Capone and his henchmen waged by the federal and state's attorney's investigators, not a trace of the gang leader nor of the New York gunmen could be found.

Then it was reported to the investigators that Capone had learned of the exposure of his plot and had abandoned it. But the investigation continued, nevertheless.

PRESS WAR ON GANGS

[illegible]he war on the gangs went on, un[illegible] and it still goes on. In the [illegible]ral offensive, Frank Nitti pleaded [illegible]ity to income tax frauds, was [illegible]n an 18 months' sentence, and is [illegible] in Leavenworth prison serving [illegible] sentence. Jack Guzik was sentenced, on the jury's verdict of guilty, to serve 5 years and a day at Leavenworth and to pay a fine of $17,500.

Terry Druggan and Frankie Lake, beer barons, pleaded guilty to tax frauds, and await prison sentences.

Finally Al Capone himself was brought to trial before Judge James H. Wilkerson on a charge of contempt of court for having feigned illness in Florida in 1929, when he had been subpoenaed to appear before the federal grand jury in Chicago. At the trial it was shown that when Capone was supposed to be seriously ill, confined to his Palm Island home, he actually was attending the Miami races, flying to Bimini in a public airplane, taking boat trips, and attending prize fights.

Six Months for Capone.

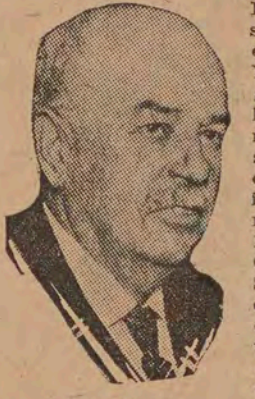
Judge Wilkerson in his decision scathed the gangster defendant, and ordered that he be imprisoned in the Cook county jail for six months. An appeal is pending, but meanwhile the government let it be known that it confidently expects to place the king of Chicago gangsters in Leavenworth prison for a lengthy stay on income tax charges.

The notable accomplishments of District Attorney Johnson were rewarded with his reappointment by President Hoover to a new term, which he began on the same day that the conviction of Capone was announced by Judge Wilkerson. It was also announced in Washington that drives will be prosecuted against gangsters in other cities patterned after the campaign inaugurated by District Attorney Johnson in Chicago.

On the state side of the gang offensive further exemplary justice was dealt out to the gangsters. Fur Sammons, that arch criminal whose hand is said to itch for the feel of a machine gun, was placed on trial for vagrancy and convicted before a jury in the court of Judge Edgar Jonas.

Then, a week later, Sammons was brought before Chief Justice McGoorty on a fugitive warrant sworn out by Warden H. C. Hill of Joliet penitentiary. Previously W. C. Jones, chairman of the state parole board, following a program outlined by Attorney General Oscar E. Carlstrom, had expunged from the record of the parole board two orders upon which Sammons had won freedom.

Start of Politics-Crime Alliance.



LEN SMALL.

In 1903 Sammons came within a day of being hanged for the murder of Patrick Barrett, a saloonkeeper. Richard Yates, then governor, had commuted the sentence of death to life imprisonment, and in 1923 former Gov. Len Small granted further clemency to the gang criminal, commuting his sentence to 50 years. In less than a month Sammons was paroled.

Attorney General Carlstrom, reviewing Sammons' case in the light of the new war on public enemies, rendered an opinion holding that the provisions of the parole act do not apply to commuted sentences.

Upon this showing Judge McGoorty ruled that Sammons be returned to the penitentiary to serve out the unexpired 30 years of his 50 year sentence. As the judge's decision was announced Sammons broke into a tirade against THE TRIBUNE.

Gangster Assails Tribune.

"THE CHICAGO TRIBUNE and its tools, Carlstrom and others, are behind this," the embittered gangster snarled in open court. "The unseen hand is at work. I'll show that I'm entitled to walk the streets. THE TRIBUNE ain't worth the paper its printed on."

State's Attorney Swanson interrupted the gangster.

"How much did you pay for your discharge and pay roll during the Small administration?" he asked. And Sammons shouted back:

"As for you, Mr. State's Attorney, if you would attend to courts more often and not let THE TRIBUNE do it, you would be better off."

And then Sammons went on his way, back within the familiar walls of Joliet penitentiary. He will die there, according to the opinions voiced by members of the parole board.

Lingle.

On March 2, 1931, Three Fingered Jack White was placed on trial before Judge Joseph Sabath for the murder of Policeman Edward Pflaume. Sergt. James E. McBride, bearing proudly the vivid scar left on his face by the Capone killers who would have silenced him and prevented his accusing White, took the witness stand and named White as the killer of Pflaume.

Prosecutor Ditchburne charged during the trial that four state witnesses had disappeared, and he accused the friends of White of having intimidated them. With the trial being held five years after the Pflaume murder, and with the other handicaps under which the state labored, hopes for a conviction were not too great, and the victory wihch Prosecutor Ditchburne did achieve brought him praise and congratulations.

The jury found White guilty and ordered him sentenced to 14 years in Joliet penitentiary.

Ask Assembly to Act.

The state legislature was asked to take a hand in Chicago's crime war, and a bill was introduced seeking to put the formal condemnation of the law upon public enemies, to recognize that term as applied to gangsters and organized criminals, and to make a public enemy a felon subject to a sentence to the state penitentiary.

The battle against the gangster had made a public leader out of Judge John H. Lyle, and from the obscurity of his place on the bench of the Municipal court he emerged, almost overnight, as a commanding figure in the city's affairs.

Answering the pleas of civic leaders, Judge Lyle announced himself as a candidate for the Republican nomination for mayor, running against Mayor William Hale Thompson, who was de-

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BUFFALO N Y NEWS
TUESDAY, APRIL 21, 1931.

4 ONCE MARKED FOR DEATH

Capone Planned Murder of U. S. and City Enforcers, Paper Charges.

CHICAGO, April 21 (U.P.).—The Chicago Tribune said in a serial story today that Scarface Al Capone brought five gangsters from New York last year to kill three federal and one city law enforcer who were driving the gangs from Chicago during the furore that followed Alfred Lingle's murder.

The men the Tribune claimed Capone planned to have killed were Detective Pat Roche, U. S. District Attorney George E. Q. Johnson, who has convicted six gangsters of evading income tax payments; A. P. Madden, federal investigator, and Frank Wilson, special internal revenue agent.

Officials learned of the plot and that the gangsters were cruising the streets in a small car, awaiting a chance to strike, the Tribune said. Capone, it was claimed, abandoned his "unbelie[illegible] able" plans when he learned the o[illegible] cials were aware of them.

Investigators also once receive[illegible] fairly reliable report, the paper [illegible] that Capone planned to have [illegible] John H. Lyle killed. Lyle was a l[illegible] fighter.

STOWN OHIO TELEGRAM
TUESDAY, APRIL 21, 1931.

BARES CAPONE MURDER PLOT

Chicago Tribune Says Four Were "Marked"

By United Press

CHICAGO, April 21.—The Chicago Tribune stated in a serial story today that Scarface Al Capone brought five gangster from New York last year to kill three federal and one city law enforcer who were driving the gangs from Chicago during the furore that followed Alfred Lingle's murder.

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Officials learned of the plot and that the gangsters were cruising the streets in a small car, awaiting a chance to strike, the Tribune said. Capone, it was claimed, abandoned his "unbelievable" plans when he learned the officials were aware of them.

Capone had offered, the paper stated, to find the man who killed Lingle and turn him over, dead, to police. The offer was refused and Capone was told to "go to hell" because investigators knew he was "bluffing" in an attempt to get them to turn off the "heat" which had been applied to the gangs in the intensive search for Lingle's murderer.

The investigators also once received a fairly reliable report, the paper said, that Capone planned to have Judge John H. Lyle killed Lyle was a leading gang fighter.

ST. LOUIS MO. STAR
APR. 18, 1931

M2

8TH CONVICTION IN U. S. WAR ON CHICAGO GANGS

Federal Prosecutor Maintains 100 Per Cent Record as Sam Guzik, Brother of Jack, Admits Tax Evasion.

RACKETEER SENTENCED TO YEAR IN PENITENTIARY

Al and Ralph Capone, Terry Druggan, Frank Nitti and Frankie Lake Among Others Facing Prison Terms.

CHICAGO, April 18.—(By U. P.)—The 100 per cent record of United States Attorney George E. Q. Johnson, who has been fighting gangs and corrupt politicians by means of income tax fraud prosecutions, numbered eight convictions today with Sam Guzik, brother of Al Capone's chief lieutenant, facing one year in Leavenworth penitentiary and $2,500 fine.

Pleading guilty to charges of evading income tax payments for 1927 to 1929, Guzik, a slot machine operator and racketeer, was sentenced yesterday by Federal Judge James H. Wilkerson. Stay of execution was granted until June 1.

The convictions credited to Johnson's office now include six gangsters and two politicians. All were convicted on income tax fraud charges.

In addition to Sam Guzik, the gangsters convicted are:

Jack Guzik, brother of Sam, sentenced to five years and a day in prison and fined $17,500 for income tax evasion.

Ralph Capone, brother of Al, sentenced to three years and fined $10,000 for tax evasion.

Terry Druggan, former beer baron, pleaded guilty to tax evasion, sentence awaiting outcome of Ralph Capone appeal.

Frank Nitti, Capone captain, now serving an eighteen-month term for tax evasion.

Frankie Lake, Druggan's former partner, also pleaded guilty; sentence awaits Capone appeal.

The politicians:

County Assessor Leone Oliver, eighteen-month sentence for tax evasion.

Lawrence C. O'Brien, former state representative, eighteen-month sentence on same charge.

Scarface Al Capone was sentenced to six months in jail for contempt of federal court. Tony (Mops) Volpe, Capone henchman, faces deportation to Italy for illegal entry.

1931 34

4/27/31 Crime

Wife Gives Up Key to Safety Vault in N.Y.

Chgo Tribune

(By a Staff Correspondent.)

(Pictures on back page.)

FRED LITSINGER.

South Bend, Ind., April 26.—[Special.]—Mrs. Myrtle Tanner Blacklidge, former collector of internal revenue at Chicago, came to South Bend this afternoon, identified the body of George L. Perry as the leader of the band of three men who robbed her of $50,000 in a fraudulent faro game at Springfield, Ill., three months ago and then declared:

"I feel now as if I had taken a new lease on life. I feel as if this clears my name of nasty rumors that have been circulated."

The reference was to a statement made after the faro swindle by Edward R. Litsinger, member of the Cook county board of review, who furnished the $50,000 which Mrs. Blacklidge lost. Mr. Litsinger declared that he had not been aware of the nature of the transaction when he drew the money from a bank and was sure after he learned of his loss that Mrs. Blacklidge "entered into the plan to make this holdup."

Mrs. Perry today turned over to police a key which she believes will open a safety deposit box rented by her husband in a New York bank. The name of the bank was not announced.

She Confers with Officers.

After looking at the body of Perry, who was shot and killed in the rear of the home of his father-in-law, John Canniff, on Friday, Mrs. Blacklidge went to police headquarters, where she was in conference for more than an hour with Coroner B. J. Bolka and Police Captain Horace M. Hamilton. To these officials she explained her previous acquaintance with Perry, whom she knew as George Parker, and with Canniff.

Mrs. Blacklidge's husband, up to the time of his death, conducted a drug store on the south side of Chicago. Parker, she said, went frequently into this place as a customer some years ago. Canniff also was a steady patron of the Blacklidge drug establishment and a card playing crony of the proprietor.

The coroner's questions were directed toward establishing, if possible, whether Canniff was or was not informed of the $50,000 plot. So far he enied knowing anything about ails, although since the murder son-in-law was involved in the plot. He has maintained that he had no ove, or even liking, for Perry.

Canniff Is Questioned.

In the police station Canniff was confronted with Mrs. Blacklidge and she questioned him, apparently hoping to get him to lead up to an admission that he had tipped off Perry and his supposed companions, Roscoe Reynolds and Roy Browder, alias Burgess, that she was a likely victim for their big money scheme. He was asked if he had ever talked about the affairs of the Blacklidge family and disclosed anything that might have been told him by the late Mr. Blacklidge in card games. He replied in the negative.

Canniff suggested, however, his belief that Browder, or Burgess, had been in touch with Perry a short time before the latter's death. He added that he did not know Browder; and was unwilling or unable to tell why he suspected there had been conferences between the pair of swindlers. Browder, he said, probably was not the killer.

"Who did it, then?" he was asked.

"Perry in Bad Business."

"Perry has been in bad business for a good many years," said the father-in-law, "it might have been any one

(Continued on page 10, column 2.)

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FIND FARO MAN'S CASH BOX; WIFE TURNS OVER KEY

Slain Man's Body Viewed by Mrs. Blacklidge.

(Continued from first page.)

of a lot of people who could have had grievances against him."

Canniff was asked if he could not persuade Mrs. Ruth Perry, the widow, to tell what Perry had done with his money. To this Canniff replied that she knew nothing more than she had already told and that she was ill at home as a result of the shock she had sustained.

According to the Chicago police, Canniff was arrested on a charge of participating in a confidence game in June, 1929, but was released when a grand jury returned a no bill.

Capt. J. T. Husone of the New York Central railroad police told Capt. Hamilqton and Chief of Police Samuel Lenon that Canniff was well known as a card sharp and had at times operated on the fast trains running between New York and Chicago.

Double-Crossing Theory Held.

After hearing Mrs. Blacklidge and Canniff the police released the latter. Mrs. Blacklidge returned to Chicago. The best theory of the police still is that Perry was slain for double-crossing his pals and holding out their share of the loot in the big swindle. The former internal revenue collector declared that in the faro game, when Perry and she had apparently won more than $200,000, he actually wept when informed they would have to display $50,000 in cash before they would be paid off.

With Mrs. Blacklidge when she came from Chioago was George Kurfess, a real estate dealer, 10644 South Seeley avenue, and a woman friend.

Mrs. Blacklidge, who had left a sick bed, and is suffering from a bronchial cough, asserted she felt immeasurably better after satisfying her smallest remaining doubt that Perry was the swindler who had defrauded her.

The South Bend police had been informed that Fred Litsinger, automobile dealer and nephew of the board of review member, would come here during the evening to look at Perry's body. He had not arrived at a late hour and it was suggested then that he might come in tomorrow.

Search On for Pair.

So far only the South Bend police and coroner have taken any strong interest in tracing the murderers of the confidence game man, although the Chicago authorities have made inquiries and a search for Browder and Reynolds. Neither police force regards it as its own duty to run down the swindle affair in downstate Illinois.

One of the steps taken is an attempt to trace all the telephone calls that have been directed to the Canniff home here in recent months.

POLICE RECORD IS BARED.

Roy Browder, alias Burgess, who is being sought in connection with the Blacklidge-Litsinger swindle and the murder of George Perry at South Bend, has been involved in a number of confidence games in Chicago and other cities, according to police records. He has been arrested sixteen times by the police of Louisville, Ky., and served a six months' term there for one of his escapades as a gambler.

On two occasions the Chicago police had information that while working as a professional gambler here he acted as the accomplice of stickup men who took the jewelry as well as the money of patrons. Once, it was related, he admitted a crew of bandits into a north side gambling house and gave them signals indicating which of the women present had the most valuable jewels.

Another anecdote concerns a raid made by robbers on a gambling place in a loop hotel. One of the male patrons, it was said, standing beside Browder, who had pretended to be only a game conductor, tossed his large diamond ring into the hat of a neighbor. When one of the robbers asked him where it was, the man who hid the jewel declared he never had a ring. But Browder, with his hands up, motioned with a thumb to the other victim's hat.

1931 34

CINCINNATI OHIO POST
TUESDAY, APRIL 21, 1931.

Tierra Del Fuego.

CLAIM CAPONE PLOT TO KILL U. S. AGENTS

Pat Roche Included in Plan, Chicago Newspaper Story States

By United Press.

CHICAGO, April 21.—The Chicago Tribune stated in a serial story today that Al Capone brought five gangsters from New York last year to kill three federal and one city law enforcer.

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1931 34

Chgo news 4/22/31

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U. S. TAX INQUIRY HITS JOE FUSCO, GANG BEER LORD

Payment of $70,000 in Liens Disclosed; Still Faces Prosecution.

TO CUT PRICE OF BREW

Joe Fusco, the shrinking violet, whose name rarely gets in the papers desipte the fact that he is head of the Capone-Guzik beer division, is the latest gang leader to be made the target for a federal income-tax investigation, it developed today.

In March, 1930, a lien was filed by the government for $50,239.92 against a "Mr. A. Peterson" in an income-tax case. Later an additional lien of $20,987.04 was filed.

Today the acting collector of internal revenue received notification from the internal revenue department at Washington that the lien had been satisfied in full. And it developed today that the Peterson of the lien is Joe Fusco, who has succeeded Frank ("The Enforcer") Nitti in the cabinet of "Scarface Al" Capone.

Whether an indictment will follow could not be learned, but it was recalled that the government prosecuted Terry Druggan, Frank Lake Sam Guzik and others after liens had been filed against their holdings.

He Dodges Limelight.

Fusco has shown remarkable ability in keeping out of the limelight. He started in the racket as a truck driver for Johnny Torrio. He showed so much ability that he has now charge of all the Capone brewing interests—the wort manufacturies, the breweries, the trucking and other activities that enable Capone to supply speakeasy owners with beer.

Fusco has a home at 7342 Prairie avenue, a block from Capone's moth- r's home at 7244 Prairie avenue. The ng chief has a headquarters in a ht club at 47th street and Cot- Grove avenue and another at a e restaurant in the loop.

Since Nitti was sent to Leavenworth penitentiary for income-tax fraud, Fusco has taken over many of his duties as fiscal agent and "enforcer" for Capone. In turn, Fusco has put some of brewery supervision in the hands of Bert Delaney, the old beer maestro, who was seized at a Capone brewery at 3136 Wabash avenue in an ambush set by Elliott Ness, assistant chief of the special prohibition unit in the midwest.

Beer Price to Be Cut?

Fusco has organized the Capone brewing interests so well that there is a widespread rumor among saloonkeepers that the price of syndicate beer is to be cut from $55 a barrel to $35 a barrel, thus enabling the retailing of beer at 15 cents a stein instead of 25 cents.

The price cut, according to the saloonkeepers, will become effective as soon as arrangements are made to do away with part of the "protection money" paid the police and others for allowing the syndicate to operate.

In the Capone cabinet with Fusco are Ralph Capone, beer boss of Cicero, who looks after the syndicate's suburban interests; Jake Guzik, who is a sort of general manager for Capone interests, although he continues to run a few brothels just for old times' sake; Ted Newberry, who handles the north side since Capone ran George ("Bugs") Moran ragged following the slaying of Jack Zuta and Joe Aiello; Frank Rio, chief of the Capone muscle crew, and Dennis Cooney, brothelkeeper and richest of the city's racketeers.

A Few Headquarters.

Newberry has been making his adquarters in the New Southern el, 1250 South Michigan avenue. re he and Ben Swig, his chief

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1931 34

Crime

L 22, 1931.

U. S. TAX INQUIRY HITS FUSCO, GANG BEER LORD

[Continued from First Page.]

lieutenant, dispense beer and justice for the bailiwick north of the river.

Jake Guzik makes his headquarters in the Wabash hotel, 2126 South Wabash avenue, and may be found there regularly with Harry, his greasy-thumbed brother; Sam, another brother, and Hymie ("Loud Mouth") Levine, his aid-de-camp.

Rio headquarters with Capone in the Lexington hotel. His "educational committee" of gunmen is made up of Jack McGurn, Willie Heeney, George Bilton, Claude Maddox, alias Johnny Moore, and Frank ("The Goat") Novak.

The caliber of the committee may be judged by the fact that Novak was but recently released from an insane asylum, where Capone had sent him when the gunman started to act queerly.

McGurn, who started out as a machine gunner for Capone, also handles the stills for the syndicate and has a beer territory of his own on the near west side.

Murray Humphries is another hoodlum who has risen to power in the Capone ranks. Humphries, sometimes known as Louis Hurley, is active in the labor racket for Capone.

Hunt Fitzgerald Slayers.

Police were on a hunt today for members of the "Spike" O'Donnell and the McErlane south side beer hustling gangs following the slaying yesterday of Edward Fitzgerald, pal of Frank McErlane, and the slugging of another gangster in a saloon at 7358 South Peoria street late yesterday.

Fitzgerald, who lived at 7856 South Union avenue, was once accused of being an accomplice of McErlane in the murder of Thad Fancher, near Crown Point, Ind., some years ago. Fitzgerald was shot to death as he broke away from four men who had sought to take him for a "ride."

The man who was beaten over the head and is in a critical condition is Edward Courtney, 7906 South Hermitage avenue, who was indicted for attempted jury-fixing in the trial of Former Governor Len Small.

A car full of gangsters, several of them armed with shotguns, drove up to the saloon of Eddie Neylon at the Peoria street address. Two of them went to the rear door and three of them broke in at the front when they found it locked.

"You come with us, you dirty double-crosser," one of the men said to Fitzgerald, seizing him.

"Nix, Joey, you aren't going to take me for a ride," the victim said outside when he saw the waiting automobile across the street. He was shot twice through the head and died instantly.

Coroner Herman N. Bundesen continued the inquest, scheduled for today, to next Tuesday to give police an opportunity to make a further investigation of the slaying.

EYED IN INCOME TAX QUIZ

Joe Fusco.

1931 35

WILKES BARRE PA NEWS
SATURDAY, MAY 2, 1931.

35

Al Capone Sought By Police After Murder Of Noted Vice Monger

Prosecutor Slaying Charges Result Of Break With Gang

ARREST HIS BODY GUARD

Chicago, May 2.—Arrest Al Capone!

That was the order issued by Chief Investigator Pat Roche of the State's attorney's office, after establishing that the charred body of a man found in an ice house pyre near Barrington was that of "Mike De Pike" Heitler, notorious vice monger here for thirty-eight years.

Roche declared that Heitler's murder came as a result of his break with the West Side Capone booze and vice syndicate.

Detectives with information that the gang chieftain was making the rounds of the cabarets early today were scouring the night haunts of Cicero and Chicago.

In one of series of raids last night, a squad under Lieutenant William Blaul crashed through the doors of Capone's private suite at the Lexington Hotel on the South Side and arrested four of the gangster's armed aides. They were:

Phil D'Andrea, Capone's bodyguard; Tony Capezio, "Circus Gang Leader," Lewis, brother of "Machine Gun" Jack McGurn and Fred Petilo.

Two raids preceded the invasion of the Capone suite, when four, including Tony Accardo, a Capone henchman, were arrested.

In ordering the arrest of Capone, Pat Roche declared the mystery surrounding the identity of the torch victim had been solved. Roche seized documents in the Heitler home, which were believed to contain evidence of politico-criminal alliance.

It was believed the papers may reveal a murder motive.

Heitler's disappearance was noted yesterday when his lawyer appeared in criminal court to ask a continuance of a perjury charge charge against the racketeer. He said Heitler had been missing since Wednesday.

Almost simultaneously, Police Chief W. MacClay of Itasca, fifteen miles from Barrington, reported the finding of a partly burned car, which Heitler had borrowed from Miss Emily Melcher with whom he resided for twenty-three years. A gun with six discharged cartridges was found in the rear seat of the machine. The heat of the car is believed to have exploded the cartridges.

The charred body was buried yesterday, but was to be exhumed today and brought to the county morgue here where efforts will be made to ma a positive iden

Twenty-Three Followers Of Capone Indicted As Rum Runners

DRIVE ON GANGSTERS

Chicago, May 2.—The United States Government struck another blow against the Capone booze syndicate and gangland in general here today with the indictment of twenty-three alleged followers of Al Capone, charging them with violation of the national prohibition law.

The indictments, returned late yesterday, were looked upon as a furtherance of the assault of Federal, State and city-law enforcing authorities to drive gangsters fom Chicago.

Principal figures named in the indictments are Bert Delaney, said to be in charge of Capone beer manufacturing; Steven Svoboda, brewmaster; Martin Accardo, brother of Tony Accardo, Capone gangster, and John Matthis.

The indictments were based on recent raids, two of which were on Capone breweries where beer valued at $75,000 was seized. They are regarded as another step in the purpose of United State District Attorney George E. Q. Johnson to smash the Capone trust.

Martin Accardo and Mattheis are accused of trying to force Capone alcohol on Richard Seifert, a saloonkeeper at Glenview, a suburb.

APR 18 1931

Another Chicago Gangster Jailed

SPECIAL FROM MONITOR BUREAU

CHICAGO, April 18—On a plea of guilty, Sam Guzik, gangster, was sentenced in the Federal Court here yesterday to Leavenworth Penitentiary for a year and a day and fined $2500 for income tax dodging. The defendant is a brother of Jack Guzik, reputed business manager of "Al" Capone's rackets, who was recently sentenced to five years in prison and fined $17,500.

Sam Guzik's plea of guilty continued the clean sweep of the forces led by George E. Q. Johnson, United States attorney, against grafters.

Seven gangsters have now been sentenced and fined, and two politicians have been sent away for income tax evasions. The United States attorney's office here has proved so efficient that those indicted now consider it a waste of time and trouble to go on trial, preferring to plead

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1931 35

GARY IND TIMES
SATURDAY, MAY 2, 1931.

NEW BLOW AT CAPONE SYNDICATE

23 Alleged Followers of Al Capone Indicted for Violation of Dry Law

[INTERNATIONAL NEWS SERVICE]

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[INTERNATIONAL NEWS SERVICE]

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That was the order issued today by Chief Investigator Pat Roche of the state's attorney's office, after establishing that the charred body of a man found in an ice house pyre near Barrington was that of "Mike De Pike" Heitler, notorious vice monger here for thirty eight years.

Roche declared that Heitler's murder came as a result of his break with the west side Capone booze and vice syndicate.

Detectives with information that the gang chieftain was making the rounds of the cabarets early today were scouring the night haunts of Cicero and Chicago.

In one of a series of raids last night, a squad under Lieut, William Blaul crashed through the doors of Capone's private suite at the Lexington hotel on the south side and arrested four of the gangster's armed aides. They were:

Phil D' Andrea, Capone's bodyguard; Tony Capezio, "circus gang leader," Lewis, brother of "Machine Gun" Jack McGurn and Fred Petilo.

Two raids preceded the invasion of the Capone suite, when four, including Tony Accardo, a Capone henchman, were arrested.

In ordering the arrest of Capone, Pat Roche declared the mystery surrounding the identity of the torch victim had been solved. Roche seized documents in the Heitler home, which were believed to contain evidence of political-criminal alliance.

It was believed the papers may reveal a murder motive.

Heitler's disappearance was noted yesterday when his lawyer appeared in criminal court to ask a continuance of a perjury charge against the racketeer. He said Heitler had been missing since Wednesday.

Almost simultaneously, Police Chief W. Mac Clay of Itasca, fifteen miles from Barrington, reported the finding of a partly burned car, hich Heitler had borrowed from iss Emily Melcher w whom he

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as found in the rear seat of the machine. The heat of the car is believed to have exploded the cartridges.

The charred body was buried yesterday, but was to be exhumed today and brought to the county morgue here where efforts will be made to make a positive identification.

The indictments, returned late yesterday, were looked upon as a furthrance of the assault of federal, state and city law enforcing authorities to drive gangsters from Chicago.

Principal figures named in the indictments are Bert Delaney, said to be in charge of Capone beer manufacturing; Steve Svoboda, brewmaster; Martin Accardo, brother of Tony Accardo, Capone gangster, and John Mattheis.

The indictments were based on recent raids, two of which were on Capone breweries where beer valued at $75,000 was seized. They are regarded as another step in the purpose of United States District Attorney George E. Q. Johnson to smash the Capone trust.

Martin Accardo and Mattheis are accused of trying to force Capone alsohol on Richard Seifert, a saloonkeeper at Glenview, a suburb.

JOKERS HALT TR
MANSFIELD, Mass.—

DAYTON OHIO JOURNAL
THURSDAY, MAY 7, 1931.

CHICAGO PROMISED GANGSTER RULE WILL BE SUPPRESSED SOON

United States District Attorney Says Organized Crime Will Be Defeated.

CHICAGO, May 1.—(UP)—George E. Q. Johnson, United States district attorney, assured the business men of Chicago today at an association of commerce luncheon, that a decisive defeat of organized crime and gangs is impending in this city.

Differing with many so-called reform organizations here, which have maintained that enforcement of the prohibition laws and the closing of all gambling and vice resorts is impossible, Johnson said this "open violation with immunity" furnished the source of wealth of the gangs.

"The remedy," Johnson said, "is to make it impossible for the gangs to make money. This can be done all right by the agencies of the government the police and sheriff."

CHICAGO ILL POST
THURSDAY, MAY 7, 1931.

D. J. COONEY CASH ACCOUNT EYED BY U. S. AGENTS

Federal Court Issues Order on Bank for Its Records.

The income of Dennis J. Cooney, alleged south side vice lord, is under the scrutiny of the internal revenue department, it was revealed today when Federal Judge Barnes issued an order directing the First National bank to turn over to the department's special intelligence unit all records pertaining to Cooney.

According to the petition, filed at the request of United States District Attorney George E. Q. Johnson, Cooney's income tax returns for the years 1920 to 1930 inclusive have been under official scrutiny for some time.

On May 4, according to the petition for the order, an agent of the department called for the records, but the bank refused to turn them over until Cooney had given his permission. This could not be obtained.

The government contends that the bank is required to turn over its records to the department on demand, with or without the permission of the depositor, without a court order. If the bank fails to comply with Judge Barnes' order by May 14, it is expected contempt proceedings will be instituted, which may be carried to the United States Supreme court for a final decision.

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FRIDAY, MAY

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CHICAGO ILL TRIBUNE
TUESDAY, MAY 19, 1931.

TAX NET CLOSING ON CAPONE, HINT OF U. S. ATTORNEY

Johnson Tells Yearly Income of Gang.

That the government's income tax net is closing in on Al Capone was indicated—but not stated—by United States Attorney George E. Q. Johnson last night in a speech before the Rogers Park Men's club. Mr. Johnson spoke for the first time in terms of dollars and cents on the total annual income of the Capone gang.

Capone's contempt of court case is expected to be disposed of in June by the United States Circuit Court of Appeals, and federal authorities have predicted that before he finishes six month jail term he will be indicted for tax fraud.

Tells Income of Gang.

The yearly income of the gang as learned by the government auditors was set forth by Mr. Johnson as follows: 1925, $1,717,552; 1926, $930,492; 1927, $1,787,436; 1928, $1,641,979.

The federal prosecutor called attention to the concomitant variation of the gang's receipts with the political administrations in Chicago, declaring that the hard times of 1926 were due to Mayor Dever's efforts to curb lawlessness.

"Then in 1927, when the policy of the city was changed in this respect, the syndicate's receipts were almost doubled," said Mr. Johnson.

Many Leaders Convicted.

No mention of Capone was made, but Mr. Johnson obviously referred to the Capone syndicate, for he cited the fact that most of the leaders have been convicted and others are under investigation. Jack Guzik, Frank Nitti, Sam Guzik, and Ralph Capone, all captains in the Capone syndicate, stand convicted of income tax fraud.

Mr. Johnson declared the income tax prosecutions are effective for two reasons—they put the gangsters in prison and also tie up all their resources, for civil liability, converting the vice lords into penniless hoodlums.

CHICAGO ILL HER & EXAM
TUESDAY, MAY 19, 1931.

U.S. Estimates Capone Income Over Million

The yearly income of the Capone gang from 1925 to 1928, as reckoned by government auditors, was disclosed last night by United States District Attorney Johnson before the Rogers Park Men's Club. It is: 1925—$1,717,552; 1926—$930,492; 1927—$1,787,436; 1928—$1,641,979.

DUBUQUE IOWA CATH TRIB
SUNDAY, MAY 10, 1931.

1931 36

OFFICIALS NOW HAVE MUCH INFORMATION FOR FIGHTING GANGS

By OWEN L. SCOTT

(Copyright, 1931.)

CHICAGO.—(CPA) — If officials become inclined to bother seriously the country's organized gangs dealing in booze, narcotics, rackets and white slaves, they now appear bulwarked with plenty of information for the job.

One after another, gang strong boxes have come to light, giving up secrets of the underworld, explaining syndicate operations, naming officers on the payroll, telling of the definite connections maintained with the forces of the law.

Diamond's Records Seized

Reports from New York saying that John J. Bennett, Jr., attorney-general of that state, had seized records of Jack "Legs" Diamond, showing his gang's connections and ramifications, provide only the latest link in the documentary chain.

This causes George E. Q. Johnson, United States district attorney for northern Illinois, and the country's most successful gang fighter, to be hopeful of the prospect for elimination of the hoodlum organizations.

"One of the hopeful signs in the crime problem," he said, "is that invisible government is becoming visible. Organized crime cannot live except by an alliance with corrupt politics and corrupt police. When we fully grasp this fact and become sufficiently angry about it, organized crime will shrivel up and die, for there will be nothing left upon which it can be nourished."

Helping to make this underworld system visible, Pat Roche, chief investigator for the state's attorney here, now has come into possession of the papers carefully kept by "Mike De Pike" Heitler, for twenty-five years gambling and white slave czar on Chicago's south side. Heitler is believed to have been the victim of a torch murder a few days ago.

Zuta's Papers Important

Previously, Roche had seized three strong boxes of Jack Zuta, vice chief of the Moran gang, who was killed after the murder of Jake Lingle. These papers were most detailed and specific, giving a vast amount of information on gang operations.

Federal men seized the records of Dennis Cooney, head of the Capone vice organization, which showed among other things, that gangs had a funnel into highest police quarters. In addition, treasury department agents, prying into various corners, to get information on which to base income tax violation indictments, ran across a fund of information.

Authorities are supposed to be supplied amply with inside information and facts on which to base their drive on gangs when they get ready to act in concert.

1931 36

CINCINNATI OHIO TIMES STAR
SATURDAY, MAY 2, 1931.

Crime

CAPONE SOUGHT IN TORCH SLAYING

Arrest of Chicago Gang Leader Ordered by Officials.

APARTMENT IS RAIDED

Henchmen of Racketeer Arrested, but Chief Escapes.

CHICAGO, May 2—(INS)—"Arrest Al Capone!"

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CRASH INTO ROOM

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Phil D'Andrea, Capone's bodyguard; Tony Capezio, "Circus Gang leader;" Lewis, brother of "Machine Gun" Jack McGurn, and Fred Petilo.

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BURNED CAR FOUND

Almost simultaneously Police Chief W. MacClay of Itasca, fifteen miles from Barrington, reported the finding of a partly-b[illegible] car, whi[illegible] Heitler had borrowe[illegible] from Miss Em[illegible] Melcher, with whom he had resided for twenty-three years. A gun with six discharged cartridges was found in the rear seat of the machine. The heat of the car is believed to have exploded the cartridges.

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LEADERS INDICTED

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DAYTON OHIO JOURNAL
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CHICAGO ILL HER & EXAM
FRIDAY, MAY 15, 1931.

POLICE NAMED BRIBE-TAKERS AT LIQUOR TRIAL

2 Accused as U. S. Spy Cites 'Protection' Boasts; 5 Speakeasy Owners Plead Guilty

Testimony that Lieut. Joseph Duback and Sergt. William H. Reid, formerly assigned to the South Chicago police district, had accepted bribes for immunity extended to saloon keepers, was offered before Federal Judge John P. Barnes yesterday.

The charges were made by Peter Petljanski, a government undercover agent, who, posing as a prospective liquor dealer, gained the confidence of a score of speakeasy proprietors in the South Chicago district.

"PROTECTION" BOAST CITED.

Petljanski testified that Valenty Wilk, on trial before Judge Barnes, boasted of the "protection" under which he operated a saloon at 8456 Green Bay road. The witness said:

"Wilk told me that he paid Lieut. Duback and Sergt. Reid on the basis of his profits each week."

Before Petljanski could complete his testimony Wilk withdrew his plea of not guilty and, with four other defendants, also speakeasy proprietors, pleaded guilty. Two other South Chicago saloon keepers were found guilty. The remainder of eighteen originally indicted will be tried today.

MORE EVIDENCE AWAITED.

Further evidence of protection will be presented today, according to Assistant District Attorney Daniel Anderson.

Petljanski, he said, will testify that Joseph Korytowski and Joseph Korpolski, also defendants, similarly boasted of protection they had obtained through corrupt police.

The undercover agent also is expected to name a city license inspector who promised protection for $400 a month and cautioned Petljanski that every official in the ward could be "fixed" except George E. Q. Johnson, U. S. attorney.

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CHICAGO ILL DAILY NEW
TUESDAY, MAY 12, 193

CLEANERS FIGHT CAPONE EFFORT TO 'MUSCLE IN'

Officials Back Up Institute After Gangster Demand for 'Protection' Fee.

The Chicago cleaning and dyeing industry today had the assurance of the law-enforcing authorities that it will be given full support in frustrating new attempts of Al ("Scarface") Capone, jailbird and brothelkeeper, to muscle into the business.

The action followed a meeting of eighty-six of the ninety-six members of the Cleaners' and Dyers' Institute yesterday at the Knickerbocker hotel, where Capone's recent efforts to forcefully enter the industry were revealed and a unanimous defi of the No. 1 public enemy was voted.

Dr. Benjamin M. Squires, operating director of the institute, told of an interview with the racket boss in his Lexington hotel headquarters in which the cleaners told Capone that they would have none of his offers to "police the industry, guarantee to destroy competition or force all independents to join up and pay dues"—all for a mere 75 per cent of the institute's annual dues collections, some $187,500.

"Capone told our committee," Dr. Squires said, "if we didn't accept his 'offer' he would take over the industry anyway. He came down in his price to 50 per cent of our annual income.

"The committee told him that we were running a legitimate business and that no gangster associates would be tolerated."

Assurances of protection were then given by Mayor Cermak, State's Attorney John A. Swanson, United States District Attorney George E. Q. Johnson, Acting Police Commissioner John H. Alcock and officials of the Chicago Association of Commerce and the Chicago Federation of Labor.

"I am pleased to learn," said Mr. Swanson, "that this organization has the backbone to tell Capone his gang will not be allowed to muscle into a legitimate business. The cleaners and dyers asked me whether I would back them up in defying the gangster and I told them I certainly would, to the limit."

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SCRANTON (PA) TIMES
WEDNESDAY, MAY 20, 1931.

HINTS PROSECUTION OF CAPONE AS TAX EVADER

Chicago, May 20 (INS).—An indication that Al Capone, gangster, would soon be the subject of prosecution for alleged failure to pay income tax had been dropped yesterday by George E. Q. Johnson, United States district attorney.

While he did not mention Capone by name, Johnson hinted that it was the so-called underworld czar he was referring to in an address last night when he gave the dollar and cents earnings of a certain large gang. He placed the total earnings of the gang at well over $6,000,000 in four years. He cited the fact that most of the leaders of the syndicate already have been convicted of tax frauds, as is the case with the Capone organization.

NEW YORK WORLD
NEW YORK TELEGRAM
MAY

MILLIONAIRE CHICAGO GANG

U. S. Prosecutor Says Four-Year Income Was $6,000,000.

By the Associated Press.

CHICAGO, May 19.—There is a gang in Chicago whose income in four years has been more than $6,000,000, United States District Attorney George E. Q. Johnson said last night. His hearers presumed that he was referring to the syndicate of Alphonse Capone, the gang chief, although no mention of Capone's name was made.

The federal prosecutor spoke before the Rogers Park Men's Club, asserting that the gang's income, as learned by government auditors, was $1,717,552 in 1925; $930,492 in 1926; $1,787,436 in 1927, and $1,641,979 in 1928.

DUBUQUE IOWA TELE
WEDNESDAY, MAY 20

GANG INCOME IS OVER $6,000,000

Presume U. S. Attorney Referred to Capone

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The prediction has been made by federal authorities that Capone will be indicted for tax fraud. He is already under a six months sentence for contempt of court, growing out of his failure to respond to a summons from a federal grand jury which was investigating incomes. An appeal is pending before the United States circuit court of appeals, but is expected by prosecutors to be disposed of next month.

N. Y. City Telegram

MAY 19 1931

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CHICAGO ILL
TUESDAY, MAY 19,

Capone's 4-Year Income Is Set at $6,127,459

G. E. Q. Johnson

While no direct mention of Al Capone was made by U. S. Dist. Atty. George E. Q. Johnson in a speech before the Rogers Park Men's club, he indicated the Capone syndicate cleared at least $6,127,459 during the years 1925 to 1928, inclusive.

The yearly income of the gang as learned by government auditors was set forth by Mr. Johnson as follows:

1925	$1,717,552
1926	980,492
1927	1,787,436
1928	1,641,979

Capone's contempt of court case is expected to be disposed of in June, and federal authorities have predicted that before he finishes that six-month jail term he will be indicted for tax fraud.

"Most any way you look at it it appears that Al is finally going to be up against it," said one of the members of the club after Mr. Johnson's address.

The federal prosecutor pointed out the income tax prosecutions are effective for two reasons—they put gangsters in prison, and also tie up all their resources.

CHICAGO ILL LEADER
SATURDAY, MAY 9, 1931.

SAYS CITY GRAFT TOPS OTHER RACKETS

United States Attorney George E. Q. Johnson struck at crooked politics and municipal abuses in his speech before the Casualty Sales Congress at the Hotel La Salle last Monday.

"Worse than organized murders and robberies, worse than vice and hijacking, is the crime against the public of graft in muncipalities," Mr. Johnson said. "The graft in the letting of contracts is the worst thing that we have to deal with here. It is the most difficult to detect and the hardest to prosecute. These crimes against municipalities are committed with impunity by public officials who realize how easily they can get away with it. We simply have no way effective enough to reduce the amount of money wasted through dishonest channels to any appreciable degree."

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~~N. Y. City Telegraph~~
N. Y. City times
MAY 19 1931

GIVES CAPONE INCOME AS $1,641,979 IN 1928

Federal Prosecutor in Chicago, Telling of $6,077,460 in 4 Years, Indicates Closing of Net.

Special to The New York Times.

CHICAGO, May 18.—That the government's income tax net is closing on Alphonse (Scarface Al) Capone was indicated, though not stated, by United States Attorney George E. Q. Johnson tonight in a speech before the Rogers Park Men's Club.

Mr. Johnson spoke for the first time in terms of dollars and cents on the total annual income of the Capone gang. He gave the 1925-28 four-year total as $6,077,460.15.

Mr. Johnson's reputation for precision led to the belief that he would not attempt to set up the figures on the Capone gang's gross receipts unless the government had made a pretty fair audit of Capone's exchequer.

The yearly income of the gang as learned by the government auditors was set forth by Mr. Johnson as follows:

1925, $1,717,552.44; 1926, $930,492.13; 1927, $1,787,436.26; 1928, $1,641,979.32.

Noting the variation of the gang's receipts with the political administrations in Chicago, Mr. Johnson said that the hard times of 1926 were due to Mayor Dever's efforts to curb lawlessness.

"Then in 1927, when the policy of the city was changed in this respect, the syndicate's receipts were almost doubled," he added.

1931 37

FRIDAY, MAY 15.

U. S. AGENT TELLS OF "PROTECTION" PAID TO POLICE

Liquor Case Witness Reveals Conditions.

A special investigator for the federal prohibition department, whose knowledge of seven languages recommended him for a job in South Chicago, testified in Federal Judge John P. Barnes' court yesterday concerning the "handling" of city police by speakeasy proprietors.

Peter Petljanski, the witness, who rented a saloon to ingratiate himself into the confidence of the South Chicago booze dispensers, testified in the trial of Walenty Wilk, whose saloon at 8456 Green Bay avenue was one of eighteen raided last August. The prosecutor, Daniel Anderson, asked Petljanski what Wilk, whose saloon was next door, told him about the police.

Tells of Paying Police.

"I asked him about the police and he say they are very good," said Petljanski. "I asked him can they be handled and he said 'sure.' 'How much you pay them?' I ask, and he say, 'O, we pay according to business. When business is good, we pay more; when business is bad, not so much.'

"I ask him if he paid Dubach and Reid and he said 'sure.'" Joseph J. Dubach was the acting captain of the South Chicago district and William H. Reid is a lieutenant, according to Mr. Anderson.

John Korytowski, whose saloon was at 8518 Green Bay avenue, and Joseph Korpolski, 8519 Burley avenue, both of whom pleaded guilty, also de-

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1931 37

WAUKEGAN ILL SUN
TUESDAY, MAY 19, 1931.

CAPONE GANGSTERS MADE HUGE FORTUNE

CHICAGO, May 19 (AP)—There is a gang in Chicago, whose income in four years has been more than $6,000,000, United States District Attorney George E. Q. Johnson said last night. Presumably he was referring to the syndicate of Alphonse Capone, the gang chief, although no mention of Capone's names was made.

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1931 37

DETROIT MICH NEWS
TUESDAY, MAY 19, 1931.

INCOME OF CHICAGO GANG IS IN MILLIONS

Took in $6,000,000 in 4 Years, U. S. Attorney Says.

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LOS ANGELES, CAL., EXAMINER
MAY 20, 1931

One Chicago Gang's Profits $6,000,000

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1931 37

NEW YORK EVE PO
MAY

LOOP GANG GETS $6,000,000

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The Federal Prosecutor told the Rogers Park Men's Club that the gang's income, as learned by Government auditors, was $1,71‾,522 in 1925; $930,492 in 1926; $1,787,436 in 1927, and $1,641,979 in 1928.

1931 37

CLINTON IOWA HERALD
TUESDAY, MAY 19, 1931.

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Bares $6,000,000 Gangster Income

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LOS ANGELES TIMES
MAY 20, 1931

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MILWAUKEE WIS SENTINEL
WEDNESDAY, MAY 20, 1931.

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IO NEWS
SUNDAY, MAY 24, 1931.

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The present city administration in Chicago considers Al Capone to be just another hoodlum. He is losing caste even in the underworld, according to enforcement officials, because of his demonstrated inability to keep himself and his allies out of the clutches of the law. The federal government still is working on preparation of a case against Capone for violation of the income tax laws, and it is anticipated by local officials th[illegible]n an indictment is [illegible]l be ironclad.

COLUMBUS OHIO STATE JOUR
SUNDAY, MAY 24, 1931.

Al Capone's Power Waning, Federal Investigators Say

BY OLIVER SHERWOOD.
Sunday Journal Special Writer.

CHICAGO.—Evidence accumulates in Chicago that Alphonse Capone, famed gang czar, gradually is being washed up.

The cleaning process is being applied by federal officials, by state's attorney forces and by leeches of the underworld, whose demands Scarface Al once asserted, kept him from amassing any considerable fortune.

As a matter of fact, tales of a fabulous income for the leader of all Chicago gangdom are not borne out by the investigations of George E. Q. Johnson, federal district attorney for northern Illinois whose activities already have five gangsters under sentence for income tax law fraud.

Johnson let it be known this week that so far as federal investigators could find, the Capone income in 1925 was $1,755,522.44. In 1926 during the year that Mayor William E. Dever sought to shut down on gangsters, the "big fellow's" haul was $930,492. It rose in 1927, the year of William Hale Thompson's invitation to the underworld to operate in a wide-open town, to $1,787,436. Then in 1928 the sum fell away to $1,641,979.37.

The federal prosecutor, who has done more to bother gangsters than any other man, points out that since 1928 the power of gangs has been waning in Chicago. Earnings have not been on so impressive a scale. It now is at low ebb.

All of the major officers in the Capone syndicate are under sentence to prison. Al has a six months' sentence for contempt of federal court facing him. His older brother, Ralph, is under three years' sentence. Frank Nitti already is in federal prison and the Guziks, operating executives, are only waiting on appeals to the appelate court.

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IO NEWS
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Tales of Fabulous Income Not Borne Out by Investigations.

BY OLIVER SHERWOOD

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CHICAGO ILL DAILY NEWS
SATURDAY, MAY 23, 1931.

U. S. FILES BRIEF TO SPEED RULING IN O'BRIEN CASE

Grossman Anxious for Action in Income-Tax Appeals.

Assistant District Attorney Jacob I. Grossman today filed the government brief in the appeal of Lawrence C. O'Brien, state representative, from the eighteen-month sentence and $10,000 fine imposed on him for income-tax violation.

On Monday Mr. Grossman said he would go before the United States Circuit Court of Appeals and ask that the case be advanced so there may be a ruling this term. The term closes next week, but the judges will be in chambers for several weeks writing decisions in the appeal cases.

A ruling on the appeal of Ralph Capone, beer boss of Cicero, from the three-year sentence and $10,000 fine imposed on him for income-tax fraud, is expected daily.

The district attorney is anxious for rulings in both the O'Brien and Capone cases, as on these appeals hinge the tax cases of Terry Druggan and Frank Lake, erstwhile west side beer barons, who entered pleas of guilty contingent on the higher court ruling on points raised by O'Brien and Capone.

Mr. Grossman will now go to work on the prosecution brief to be filed in the appeal of "Scarface Al" Capone, jailbird and brothelkeeper, from the six-month contempt sentence imposed on him by Federal Judge James H. Wilkerson.

United States District Attorney George E. Q. Johnson, who has been waging a victorious battle against Chicago gangdom, hopes to have the five men behind the bars by July 4.

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OHIO STATE JOUR
MAY 24, 1931.

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GARY IND. TIMES
FRIDAY, MAY 22, 1931.

Chicago Gangland's Most Dreaded Enemy Is Unobtrusive Man

U. S. District Attorney, Using Income Tax Evasion as Weapon, Puts Terror Into Hearts of Foe

By E. M. CIPRIANI,
(Central Press Staff Writer)

CHICAGO, May 22.—Alone in his office in a spacious corner of the federal building sits a quiet, unobtrusive man. His name is George E. Q. Johnson. He is the United States district attorney for northern Illinois.

He is gangland's most feared foe!

With reason. This quiet, unobtrusive man has gangland on the run. He is disintegrating it. He is ripping apart criminal alliances. He is sending hoodlums to prison. None is too powerful. Not even Al Capone, king gangster of the prohibition era. Even influential politicians are not immune to the legal scythe he swings. Geo. E. Q. Johnson is not only feared. He is hated!

REAPPOINTED

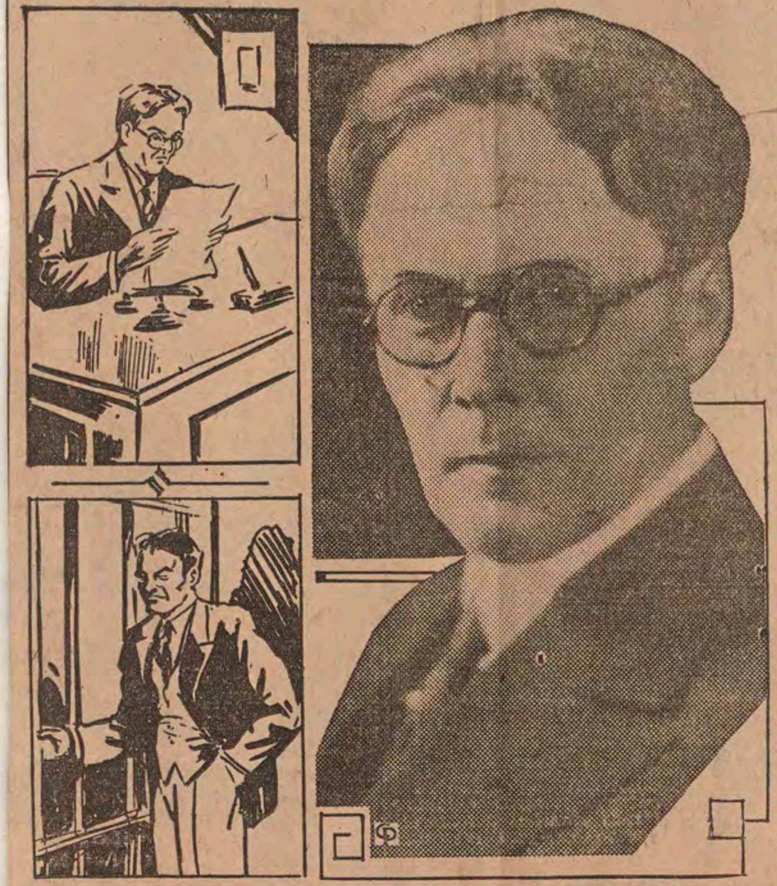
But Distrisct Attorney Johnson grinds on. Uncle Sam thinks

not, of course carry a gun, but if he did he could mark the notches in the good old-fashioned way. His notch marks would show this:

Al Caopne, six months in jail for contempt of court.

Ralph Capone, his brother, three years in prison and $10,000 fine for income tax evasion.

Jack Guzik, his business manager, five years in prison and $17,500 fine for tax violations.



GEORGE E. Q. JOHNSON

Sam Guzik, Jack's brother, one year and one day in prison, and $2,500 fine for tax evasion.

HEAVY SENTENCES

Frank Nitti, Capone captain, 18 months in prison for failure to account for income taxes.

Terry Druggan, big beer baron, plea of guilty to income tax violation.

Frankie Lake, his ex-partner, guilty ple

tion virtually is certain, officials say. Al Capone is not yet in jail, because of an appeal. Ditto for Ralph, and Jack Guzik. They hope for reversals, but the United States Circuit court of appeals seldon disturbs the lower court judgments.

Gangsters aren't the only persona non grata on Johnson's list. There are, for instance, County Assessor Gene Oliver and State Representative Lawrence O'Brien, facing terms of 18 months each in prison for alleged income tax violation.

EXPOSING CRIME

District Attorney Johnson has the hoodlums on the run, no doubt. He fooled them with a flank attack—the income tax law. Johnson is optimistic. In a recent talk he said, "the invisible government of crime is becoming visible." He has exposed it.

District Attorney Johnson is gangland's most feared, most hated foe. He's quiet and unobtrusive. And he's a humorist. He grins over the fact he has two middle letters to his name. The "E" and the "Q." The "Q," he admits, doesn't stand for anything. He just inserted it.

"When I looked into the city directory," he says, "I found too many George E. Johnsons.I had to identify myself. I stuck in the 'Q.' "

1931 38

TOLEDO OHIO BLADE
WEDNESDAY, MAY 20, 1931.

PAGE 14

CAPONE MAY FACE U. S. TAX CHARGES

District Attorney Drops Hint in Speech; Cites Profits of Band of Racketeers.

Chicago, May 20 (INS)—An indication that Al Capone, gangster, would soon be the object of prosecution for alleged failure to pay income tax was dropped Wednesday by George E. Q. Johnson, United States district ~~attorney.~~

While he did not mention Capone by name, Johnson hinted that it was the so-called underworld czar he was referring to in an address when he gave the dollar and cents earnings of a certain large gang.

He placed the total earnings of the gang at well over $6,000,000 in four years. He cited the fact that most of the leaders of the syndicate have already been convicted of tax frauds, as is the case with the Capone organization.

Johnson said the income of the gang, as computed by government auditors, was: 1925, $1,717,552; 1926, $930,492; 1927, $1,787,436; 1928, $1,641,979.

Variations in earnings of the gang might be laid to the change in city administrations, Johnson said.

It has been reported repeatedly that Capone's income is under investigation by Johnson and his aides. Capone's contempt of court case is expected by the authorities to be disposed of in June by the United States circuit court of appeals. If the lower court's decision is sustained the gang leader will then start serving a six months' jail term. Before the end of that term, prosecutors predict, Capone will be under indictment for tax fraud.

The Capone henchmen already convicted of tax fraud include Jack Guzik, Frank Nitti, Sam Guzik and Ralph Capone, brother of Al.

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NEWARK, N. J.

FEB 28 1931

CHICAGO ILL TRIBUNE
NESDAY, MAY 27, 1931.

Capone Is Free On $5,000 Bail

Sentenced for Contempt He Faces Trial Wednesday as Vagrant

CHICAGO (AP)—A beginning of the end of the grip of power in Chicago of "Scarface Al" Capone, gangster chief, was seen today by federal officials, they said, in the six-months' jail sentence imposed upon him in Federal Court.

Toppled suddenly from his throne of apparent immunity by Federal Judge James H. Wilkerson, who found him guilty of contempt of court for his attempt to delay his appearance before a grand jury in 1929, Capone was pictured by government officers as losing ground because his reputation for immunity from punishment in the "Windy City" appeared to be broken.

But Capone, although apparently stunned by the length of his sentence, was in a fighting mood today, with his hope pinned in a thirty-day stay of execution and an appeal by his attorneys to the Circuit Court of Appeals. Meanwhile he was free under a $5,000 bond, which will have to be renewed in federal court Monday.

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CHICAGO ILL DAILY NEWS
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CHICAGO ILL TRIBUNE
WEDNESDAY, MAY 27, 1931.

U. S. COURT HEARS MANN ACT CASE AGAINST M'GURN

Wife Who Gave Him Alibi Is Accused.

The government's campaign to harass gangsters in the Federal courts was centered yesterday on a hearing on Mann act charges involving Jack McGurn, Capone machine gunner, and the former Louise Rolfe, whom he recently married before Judge Walter C. Lindley.

MRS. JACK McGURN

McGurn, whose real name is Vincent Gebardi, was accused of participation in the massacre on St. Valentine's day in 1929. Charges against him were dropped when Miss Rolfe testified that she had been with McGurn in the Stevens hotel on the night preceding and the day of the massacre.

Witnesses Are Heard.

The hearing began yesterday with the filing of a stipulation to the effect that the defendants are now married. Then witnesses were called in an attempt to prove allegations that the couple had traveled from Chicago to Florida and back again before their marriage. According to Assistant United States District Attorney Daniel Anderson, the hearing will be concluded late today.

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CHICAGO D LY NEWS
TUESDA AY 26, 1931.

CIVIL SERVICE CAN HELP FIGHT GANGS: JOHNSON

U. S. District Attorney Asks Co-Operation to End Politics.

Co-operation of the city's civil service will lift the police department out of the realm of politics and complete the rout of the hoodlum element in Chicago, United States District Attorney George E. Q. Johnson declared at a merit-service dinner held under the auspices of the Woman's City Club at the Congress hotel last night.

"A new Chicago is rising that will inspire other cities," declared the district attorney, whose drive against gangsters and grafting politicians under the income-tax law has already won him widespread attention. "The arrogance of organized crime is already broken, but to complete the rout there must be this freedom and honesty in the police department that will permit it to function 100 per cent for the public good.

Chance for Mayor.

"I do not belong to the same political faith as does the mayor, but if these things are done his name will become illustrious and Chicago will become rich in things that lie near to the hearts of the men and women who live within its borders.

"There never was a time in the history of America when the work of the police has become so necessary. In every large city the police and prosecutors have been bewildered by a new type of crime, a type of crime that is able to control money running into many millions of dollars; that is organized and has a secret service of its own to get information; that is intelligently directed, and whose sole function it is to get money out of violating the law; a type of crime that has developed its own methods of enforcing its decrees.

If we are going to cope with this new problem of organized crime, the police department must be free to function in the same fashion. No matter at what angle we approach this subject, the final responsibility devolves upon the civil service commission. A commission in which both the officers and men repose confidence that they will be fairly dealt with; a commission that will deal with the unfit fairly but sternly; a commission that will root out the dishonest and a commission that will hold responsible the various commanding officers in their respective districts.

Civil Service Is Keystone.

"The keystone in the entire arch is the civil service com not be so difficult to service th dishor

if real efforts is directed into this channel.

"A captain of police testifying to a matter that had occurred within the last six months, when questioned as to the reason for the failure of the department in this particular, stated frankly that there was political interference with him in the performance of his duties. When I asked him if he was not protected by civil service he said that was true, but he reminded me of other officials who had been removed whom he considered honest and efficient."

IER & EXAM
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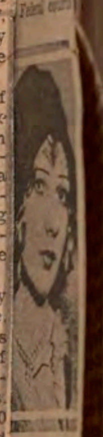

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CHICAGO ILL HER & EXAM
TUESDAY, MAY 26, 1931.

JOHNSON URGES POLICE SPIES TO END GRAFTING

Undercover Squad Could Find Crookedness, Says U. S. Attorney; Assails 'Politics'

(Picture on Back Page.)

Establishment of a secret service to drive crookedness out of the police department was proposed last night by District Attorney ~~George~~ E. Q. ~~Johnson as~~ a means to promote 100 per cent efficiency in Chicago's police.

An enforcing division of this kind, acting in co-operation with a forceful and honest civil service commission, would soon free the police department of subservience to political pressure, he declared.

ASSAILS POLITICAL FORCES.

Mr. Johnson was one of the speakers at the merit service dinner at the Congress Hotel, held by the Woman's City Club and associated organizations as a seminar on reorganization of city departments under civil service.

"Failure of the police department under civil service can be attributed to the fact that for years the force has been dominated by political forces controlling the office of the mayor," he asserted.

URGES UNDER-COVER MEN.

"If our police are to take orders from higher-ups to overlook law violations, we cannot expect improvement," he continued. "The failure of the police cannot be fixed to the civil service law, but to the administration of it."

Mr. Johnson then suggested legislation creating a "secret service of well-trained men to do personnel work and under-cover work," reporting instances of corruption among police officials and political domination of the department to the civil service commission.

"The final responsibility for the efficiency of the police must rest with the civil service commissioners," he said.

REPORTS ON BILLS.

E. O. Griffenhagen, president of the Civil Service Association of Chicago, reported on the progress of legislation at Springfield, which would put most of the city and county offices under civil service control.

Thomas E. Campbell, president of the United States civil service commission, also spoke.

1931 40

DAVENPORT IOWA DEMOCRAT
SUNDAY, MAY 24, 1931.

Crime

1931 40

Al Capone's Power Waning Probe Shows

Federal, State and Underworld Forces Serve in Cleanup.

By OLIVER SHERWOOD
Special Correspondent to The Democrat

Copyright, 1931.
By The Consolidated Press Association.

Chicago, May 23.—Evidence accumulates in Chicago that Alphonse Capone, famed gang czar, gradually is being washed up.

The cleaning process is being applied by federal officials, by state's attorney forces and by leeches of the underworld, whose demands Scarface Al once asserted, kept him from amassing any considerable fortune.

As a matter of fact, tales of a fabulous income for the leader of all Chicago gangdom, are not borne out by the investigations of George E. Q. Johnson, federal district attorney for northern Illinois, whose activities already have had five gangsters under sentence for income tax law fraud.

Mr. Johnson let it be known this week that so far as federal investigators could find, the Capone income in 1925 was $1,755,552.44. In 1926 during the year that Mayor William E. Dever sought to shut down on gangs, the "Big Fellow's" haul was $930,492. It rose in 1927, the year of William Hale Thompson's invitation to the underworld to operate in a wide-open town, to $1,787,436. Then in 1928 the sum fell away to $1,641,979.37.

Power Is Waning.

The federal prosecutor, who has done more to bother gangsters than any other man, points out that since 1928 the power of gangs has been waning in Chicago. Earnings have not been on so impressive a scale. It now is at low ebb.

All of the major officers in the Capone syndicate are under sentence to prison. Al has a six month's sentence for contempt of federal court facing him. His older brother, Ralph, is under three year sentence. Frank Nitti already is in federal prison and the Guziks, operating executives, are only waiting on appeals to the appellate court.

Within recent months, federal prohibition agents have knocked over three of the largest Capone breweries, destroying expensive machinery. At the present time, when retail sales are sharply contracted, these major losses are an important factor in profits.

Giving Short Measure.

The situation is so unusual that Joe Grein, city sealer, maintains that the Capone organization is giving short measure in its sale of beer to distributors, and is forcing the saloonkeepers to pay for allotments of beer whether they can be sold or not. He has threatened to sue the outfit under city ordinances requiring measures.

Henry Barrett Chamberlain, managing director of the Chicago crime commission, declares that Capone never has been so opulent as many believed. His operating expenses always have been high and the chances of disaster great. He points out that few of the underworld leaders really have been able to accumulate a fortune and hang on to it.

The present city administration in Chicago considers Al Capone to be just another hoodlum. He is losing caste even in the underworld, according to enforcement officials, because of his demonstrated inability to keep himself and his allies out of the clutches of the law. The federal government still is working on preparation of a case against Capone for violation of the income tax laws, and it is anticipated by local officials that when an indictment is returned, it will be iron-clad.

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CAPONE INDICTED AS VIOLATOR OF INCOME TAX LAW

Twenty-two Counts Against Gang Chief; Jail Term Looms.

(Continued from Preceding Page.)

Madden, chief of the special intelligence unit.

This meticulous questioning of witnesses who might be expected to have knowledge germane to an investigation of Capone's income was necessitated by the fact that no bank account which could even be remotely identified as Al's was ever found.

His personal business dealings were on a currency basis only, it appears from the evidence amassed. Others in his organization trusted to checks and a number of them have reaped the harvest of their folly in the shape of stiff sentences for income tax violations.

It was revealed today that a suppressed indictment charging Al with violation of the income tax law was returned by the March federal grand jury as a precautionary measure to protect some of the evidence which, had the indictment been delayed, would have been invalidated by the statute of limitations.

Capone has never made an income tax return or paid a cent to the government.

The investigation which led up to the indictment of the gang chieftain was said to be instigated by President Hoover after the latter's return from a visit to the estate of J. C. Penney, the chain store magnate, at Miami Beach, Fla.

Hoover, according to the unrecorded report, heard the sound of the machine-gun practice and other noisy sport emanating from Palm island, the Capone baliwick. As soon as he arrived back in Washington he sent for prosecutors and discussed with them the practicability of a federal curb on Al's activities through the medium of the toothed income tax law.

District Attorney Johnson has an unblemished record for income tax convictions. Among those who already have been found guilty are Ralph Capone, Al's brother; Terry Druggan and Frank Lake, Jack Gusick, Sam Gusick, Louis Lipschultz, Jack Gusick's brother-inf-law; Frank Nitti, Capone's treasurer; Gene Oliver and Lawrence O'Brien.

Several of those convicted have not yet been sentenced, but Nitti already is serving his term in Leavenworth and Sam Gusick is scheduled to enter the federal penitentiary today. Others have appeals pending.

MAY ASK ARREST OF AL CAPONE AS BOOZE RING HEAD

Crime

Kansas City Sure He Is Organizer There.

Chicago Tribune
5-28-31

Kansas City, Mo., May 28.—(AP)—Possibility that Al Capone, gang overlord of Chicago and reputed directing genius of subsidiary crime organizations in other cities, may be charged with liquor conspiracy was injected into the government investigation of an alleged wholesale liquor ring here today.

Decision as to whether government agents, who have been working on the case for months, have assembled enough evidence against Capone personally to warrant filing of charges rested with District Attorney W. L. Vandeventer.

H. L. Duncan, agent in charge, declared that the Chicago gangster was the boss of the alleged Kansas City liquor distributing combine and gave his orders through John Lazia, north side politician here who is one of more than a score of persons arrested in the last two days on conspiracy charges.

Chet A. Keyes, assistant district attorney, said announcement as to whether a warrant would be issued for Capone would be made by District Attorney Vandeventer after the latter had carefully reviewed the evidence.

Federal prohibition agents pictured Capone as the leader who organized the bootleg industry in this section some months ago to stabilize prices, eliminate competition, and afford an outlet for carloads of alcohol shipped here from the east by rail. Lazia is here from the east by rail.

Police recalled today that Jimmy Howard, a local bootlegger, was slain here by an unidentified machine gunner about the time the combine is alleged to have been formed.

SUNDAY, MAY 24,

SCARFACE ON BRINK OF RUIN; LAW PRESSES

ederal Figures Show That apone's Income Is Growing Smaller.

By Oliver Sherwood.

Special Correspondent for The Sunday News.

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CHICAGO ILL DAILY NEWS
MONDAY, JUNE 1, 1931.

KILL PROFIT IN CRIME JOHNSON DEMA

Fort Dodge, Iowa, June 1.—(A a home-coming welcome last nig George E. Q. Johnson, United attorney at Chicago, a former ster county boy, Johnson de organized crime to be the gr problem confronting the Am people.

"The way to get rid of orga crime is to make it impossibl crime to make money," Johnson "We shall be through with it we take the whole thing and str it. To do this we need only co and honesty in our agencies fo detection of crime and courage, a and integrity on the part of pros ing officials."

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While You Wait.
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CHICAGO ILL DAILY NEWS
MONDAY, JUNE 1, 1931.

KILL PROFIT IN CRIME, JOHNSON DEMANDS

Fort Dodge, Iowa, June 1.—(AP)—At a home-coming welcome last night for George E. Q. Johnson, United States attorney at Chicago, a former Webster county boy, Johnson declared organized crime to be the greatest problem confronting the American people.

"The way to get rid of organized crime is to make it impossible for crime to make money," Johnson said. "We shall be through with it when we take the whole thing and strangle it. To do this we need only courage and honesty in our agencies for the detection of crime and courage, ability and integrity on the part of prosecuting officials."

SUNDAY, MAY 24,

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SCARFACE ON BRINK OF RUIN; LAW PRESSES

Federal Figures Show That Capone's Income Is Growing Smaller.

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Suits 75c
ELIVERED 20% EXTRA

2 MEN'S
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$3.00

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CAPONE INDICTED AS VIOLATOR OF INCOME TAX LAW

Twenty-two Counts Against Gang Chief; Jail Term Looms.

(Continued from Preceding Page.)

Madden, chief of the special intelligence unit.

This meticulous questioning of witnesses who might be expected to have knowledge germane to an investigation of Capone's income was necessitated by the fact that no bank account which could even be remotely identified as Al's was ever found.

His personal business dealings were on a currency basis only, it appears from the evidence amassed. Others in his organization trusted to checks and a number of them have reaped the harvest of their folly in the shape of stiff sentences for income tax violations.

It was revealed today that a suppressed indictment charging Al with violation of the income tax law was returned by the March federal grand jury as a precautionary measure to protect some of the evidence which, had the indictment been delayed, would have been invalidated by the statute of limitations.

Capone has never made an income tax return or paid a cent to the government.

The investigation which led up to the indictment of the gang chieftain was said to be instigated by President Hoover after the latter's return from a visit to the estate of J. C. Penney, the chain store magnate, at Miami Beach, Fla.

Hoover, according to the unrecorded report, heard the sound of the machine-gun practice and other noisy sport emanating from Palm island, the Capone baliwick. As soon as he arrived back in Washington he sent for prosecutors and discussed with them the practicability of a federal curb on Al's activities through the medium of the toothed income tax law.

District Attorney Johnson has an unblemished record for income tax convictions. Among those who already have been found guilty are Ralph Capone, Al's brother; Terry Druggan and Frank Lake, Jack Gusick, Sam Gusick, Louis Lipschultz, Jack Gusick's brother-inf-law; Frank Nitti, Capone's treasurer; Gene Oliver and Lawrence O'Brien.

Several of those convicted have not yet been sentenced, but Nitti already is serving his term in Leavenworth and Sam Gusick is scheduled to enter the federal penitentiary today. Others have appeals pending.

MAY ASK ARREST OF AL CAPONE AS BOOZE RING HEAD

Cut

Kansas City Sure He Is Organizer There.

Chicago Tribune
5-28-31

Kansas City, Mo., May [illegible]— Possibility that Al Capone, [illegible] lor" of Chicago and reputed [illegible] genius of subsidiary crime [illegible] tions in other cities may be [illegible] with liquor conspiracy was [illegible] into the government investigation [illegible] an alleged wholesale liquor [illegible] today.

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SUNDAY, MAY 24,

SCARFACE ON BRINK OF RUIN; LAW PRESSES

Federal Figures Show That Capone's Income Is Growing Smaller.

By Oliver Sherwood.

Special Correspondent for The Sunday News.

Copyright, 1931.

CHICAGO, May 23.—Evidence accumulates in Chicago that Alphonse Capone, famed gang czar, gradually is being washed up.

The cleaning process is being applied by federal officials, by states attorney forces and by leeches of the underworld, whose demand Scarfare Al once asserted, kept hi from amassing any considerable fortune.

As a matter of fact, tales of a fabulous income for the leader of all Chicago gangdom are not borne out by the investigations of George E. Q. Johnson, federal district attorney for northern Illinois, whose activities already have five gangsters under sentence for income tax law fraud.

Mr. Johnson let it be known this week that so far as federal investigators could find, the Capone income in 1925 was $1,755,552.44. In 1926 during the year that Mayor William E. Dever sought to shut down on gangs, the "big fellow's" haul was $930,492. It rose in 1927, the year of William Hale Thompson's invitation to the underworld to operate in a wide-open town, to $1,787,436. Then in 1928 the sum fell away to $1,641,979.37.

Earnings at Low Ebb.

The federal prosecutor, who has done more to bother gangsters than any other man, points out that since 1928 the power of gangs has been waning in Chicago. Earnings have not been on so impressive a scale. It now is at low ebb.

All of the major officers in the Capone syndicate are under sentence to prison. Al has a six month's sentence for contempt of federal court, facing him. His older brother, Ralph, is under three years' sentence. Frank Nitti already is in federal prison and the Guziks, operating executives, are only waiting on appeals to the appellate court.

Within recent months, federal prohibition agents have knocked over three of the largest Capone breweries, destroying expensive machinery. At the present time, when retail sales are sharply contracted, these major losses are an important factor in profits.

The situation is so unusual, that ~~Joe Grein, city sealer, maintains~~ that the Capone organization is giving short measure in its sale of beer to distributors, and is forcing the saloonkeepers to pay for allotments of beer whether they can be sold or not. He has threatened to sue the outfit under city ordinances requiring honest measures.

On the Brink.

Henry Barrett Chamberlain, managing director of the Chicago crime commission, declares that Capone never has been so opulent as many have believed. His operating expenses always have been high and the chances on disaster great. He points out that few of the underworld leaders really have been able to accumulate a fortune and hang on to it.

The present city administration in Chicago considers Al Capone to be just another hoodlum. He is losing caste even in the underworld, according to enforcement officials, because of his demonstrated inability to keep himself and his allies out of the clutches of the law. The federal government still is working on preparation of a case against Capone for violation of the income tax laws, and it is anticipated by local officials that when an indictment is returned, it will be ironclad.

1931 43

CHICAGO ILL DAILY NEWS
FRIDAY, JUNE 5, 1931.

TAX FRAUD

EXTRA

JURY'S ACTION ENDS INQUIRY LASTING 2 YEARS

No. 1 Hoodlum Faces Long Term in Prison Under Charges.

GUILTY PLEA HINTED

"Scareface Al" Capone, jailbird and brothelkeeper, and rated as the No. 1 hoodlum of the world, today was indicted in the Federal court for income tax fraud after a government inquiry that lasted more than two years.

He faces a lengthy penitentiary term and it is rumored he will plead guilty.

A federal grand jury which has been sitting continuously for more than three months voted the indictments after hearing the three last witnesses this morning.

The government charges that Capone failed to make any return during the period 1924 to 1929 and a charge of attempt to defraud the United States government was included in the indictment. The fraud charge brings within the statute of limitations Capone's financial dealings for the earlier years.

Capone, on a conviction, faces a maximum penalty of thirty-two years in the penitentiary and fir s of $80,000.

1931 49

The income charged to Capone was relatively small, about $900.000 for the six-year period. Government men explained this by saying the gang leader had so disguised his holdings it was possible for the inquiry to develop only a small portion of the Capone income.

Called Greatest Inquiry.

The inquiry which resulted in today's indictment against Capone was termed "the masterpiece of the special intelligence unit," and the proceedings before the grand jury were in charge of District Attorney George E. Q. Johnson's assistants, Dwight H. Green, Jacob I. Grossman and Samuel G. Clawson.

Government men, speaking "off the record," asserted they had an airtight case against the gang leader.

Capone was expected to surrender within a day or two to post the bond set, as he is already under a sentence of six months in jail for contempt of federal court. His attorneys have appealed this case and federal prosecutors have been hurrying their reply briefs in the hope of obtaining an early decision from the higher court.

The indictment of Capone culminates District Attorney Johnson's campaign against Chicago gangsters by prosecuting them under the income-tax law, a campaign in which he and his assistants have obtained convictions against every gangster and politician tried.

Trial to Take Weeks.

Capone's trial on the income-tax charges, the prosecutors said, would probably take weeks. They said that more than a hundred federal agents—detectives, income-tax experts, financial men, accountants, men with brokerage house experience — had worked on the Capone case for two years, that more than 1,000 persons were interviewed during the investigation and scores of witnesses were questioned before the federal grand jury which indicted Capone.

44

FRIDAY, JUNE 5, 1931.

100 DIG 2 YEARS TO REVEAL FACTS ABOUT AL CAPONE

Inquiry of U. S. Agents Into Gang Chief Reads Like Dime Novel.

The inquiry into "Scarface Al" Capone's income—it took more than two years and enlisted at times more than a hundred men—was said by federal men today to have been the most thorough investigation ever conducted by the internal revenue department of the United States government, and the report of it reads like a dime novel.

The inquiry was conducted by the special intelligence unit of the internal revenue department—the local unit headed by A. P. Madden and special details from Washington sent by Elmer L. Irey, chief of the unit. The names of the individual agents were withheld by the government.

"But the agents, both the special men from Washington and our own men, did a great job," said Mr Madden.

Agents Posed as Gunmen.

There were agents who posed as eastern gunmen looking for a job. They hobnobbed with gangsters in gangster haunts, attended their parties and banquets, frequented spots where a slip of the tongue might have made them the target for a hundred guns.

Agents scurried about the vast spider web of Capone—its center in Chicago, its lines stretching into New York and Washington, to Florida and Pennsylvania, to Michigan and California.

Here there was the thrill of high adventure, the glamour of a man hunt; there the dull, prosaic but vital task of poring over bank records, wading through brokerage accounts, scanning the files of telegraph companies.

Aid came sometimes from unexpected sources, but mostly, the agents said, they found themselves against a stone wall of silence, silence on the part of the men who knew but who had greater fear of Capone and his machine-gun Micky Finn than of the government of the United States.

Handicapped by Wily Foe.

The agents were handicapped, too, by a wily foe.

So wily was Capone that rarely could they find where he had signed his name. Bank after bank, here and elsewhere, were combed in a futile hunt for a Capone bank account. Money he seemed to have at all times, but where he got it and how much he had were questions that kept the intelligence unit at work for more than two years.

1931 44

torney George E. Q. Johnson determined to rid Chicago of gangs he looked about for a weapon. Prohibition inquiries usually netted only the hired men, who, refusing to talk, thwarted the efforts of the prosecution to indict and convict the bosses of booze and beer rings. The district attorney decided to utilize the income-tax law.

Unearth Strange Accounts.

The agents were set on the trail of the Capone gang. They went to Cicero to see what they could learn. They heard much gossip, but little that could be regarded as evidence. They checked the records of a Cicero bank. There they ran across a strange circumstance, a series of accounts in which the first name was always James—James Carter, James Costello and so on.

An account in the James series would run a month or two, then would be closed out, and, strange circumstance, a new James account would open with the balance of the old James account.

The bank officials were asked about these accounts. They professed ignorance, although District Attorney Johnson dryly observed they honored overdrafts of $4,000 to $6,000 a month.

The records of the James accounts had been done away, so federal men were forced to weary hours of examination of clearing-house records. Into the James accounts they found the deposit of check after check made out by Cicero saloonkeepers.

Saloonists Bought "Chicken."

They went to the saloonkeepers. What were the checks for? "Chicken, we bought chickens to serve our customers," gravely replied the saloonkeepers.

"One saloonkeeper," observed District Attorney Johnson, "had given checks for enough 'chicken' to feed all Chicago."

The hunt continued. A description of a little man who took the checks for the "chicken" was obtained. Through police bureau of identification records, they found a photograph of "the little man." It was identified by bank employes and saloonkeepers. Through him the bank accounts were linked to Ralph Capone, and the first step of the investigation was over, and a number of clews developed, for checks had cleared through the account that gave the federal men a number of other leads.

Jake Guzik's operations appeared in the account, and Sam Guzik's and Louie Lipschultz's and, most important, "Scarface Al" Capone's.

Get Al Capone Clews.

These incomes were investigated and further trails to the Al Capone income were indicated.

The agents learned that Capone had shared in the income of Cicero and Chicago gambling houses, of dog-tracks at Cicero and elsewhere. They learned that when Capone was out of the city Jake, or his bus boy, Bobby Barton, was accustomed to telegraph the gang chief large sums of money. They ran across a brokerage account.

The investigation of this brokerage account shows how painstakingly the agents operated. As collateral in the margin account, some liberty bonds had been put up. Only the serial numbers of the bonds were shown.

Internal revenue agents went to Washington to start the trail of the liberty bonds. The trail led to the Federal Reserve Bank of Chicago, thence through a half dozen more

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1931 44

that Capone had interests there. They went to California on the report that he owned ranch property in that state. They went to Pennsylvania, to Philadelphia, where Capone had spent something less than a year in jail for gun toting; to Villa Nova, where Capone's younger brother, Mathew, had gone to school.

The federal men went to Florida, where Capone maintained a winter home, and where many of the telegraph remittances from Guzik and other lieutenants had reached him.

They learned that Capone was accustomed to paying for everything in currency—using currency for even a transaction such as the purchase of a $175,000 estate or a $40,000 yacht. They learned he loved to gamble—that he could toss away thousands of dollars at a gambling table or a racetrack and, finally, they learned enough about Capone's income to ask and obtain an indictment.

"The agents talked to more than a thousand persons," Chief Agent Madden said today, "in prosecuting the inquiry."

Haled Before Grand Jury.

And many of these they haled before the grand jury: Pete Penovich, a Cicero gambler; Louie ("Two Gun") Alterie, erstwhile north side gangster; "Diamond Louie" Cowan, Cicero newspaper publisher and Capone bondsman; Louie La Cava and "West Side Frankie" Pope, men who knew about gambling.

There was Louis Greenberg of the Roosevelt Finance Company, 3159 Roosevelt road, who, government men assert, served as a sort of fiscal agent for the Capone gang. Through Greenberg federal men seized Frank Nitti when he was hiding in Berwyn and through Greenberg's records, the federal men intimate, they learned considerable of the Capone gang's operations.

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CAPONE GIVES UP ON U. S. INCOME TAX INDICTMENT

Faces Long Prison Term for $215,080 Fraud.

(Continued from first page.)

lieutenants first and leading up to Al himself. One by one he attacked and vanquished Capone's leading props.

First there was Ralph Capone, brother of Al. Ralph was sentenced to three years' imprisonment for income tax frauds, and he has an appeal pending. Frank Nitti, the financial brains of the Capone gang, pleaded guilty and he is now serving 18 months in Leavenworth prison.

Jack Guzik was found guilty of evading income taxes by a jury and his punishment was fixed at 5 years in Leavenworth. Sam Guzik, brother of Jack and an important Capone cog, pleaded guilty and he was on his way last night to serve a year and a day at Leavenworth. Louis Lipschultz, a brother-in-law of Jack Guzik, is facing prosecution.

These gangster prosecutions were aside from Mr. Johnson's other successes in obtaining pleas of guilty from Frank Lake and Terry Druggan, the beer baron twins, and his conviction of State Representative Lawrence G. O'Brien and Assessor Gene G. Oliver, and the indictment of former Building Commissioner Christian P. Paschen, all on income tax fraud charges. As they phrased it at the federal building, Prosecutor Johnson's batting average to date is 1000.

Earlier True Bill Included.

The government, in the Capone indictments, did not allege the sources of the income. The income figures in the two indictments are:

	Net. income.	Tax owed.
1924	$ 123,101.89	$ 32,489.24
1925	257,285.98	55,365.25
1926	195,676.00	39,962.75
1927	218,056.04	45.557.76
1928	140,535.93	25,887.72
1929	103,999.00	15,817.76
Total	$1,038,654.84	$215,080.48

The net income represents a deduction of $1 per year from Capone's gross income. Much of the income represented money telegraphed from Chicago to Capone at his estate, near Miami, Fla., where he has been in considerable trouble with the authorities. Other represented the known profits of Capone from Cicero gambling houses, dog tracks, and horse racing bets. As far as could be ascertained no specific portion of the income was chargeable to Capone's wholesale bootlegging activities.

Capone's actual income—the syndicate income—has been estimated at as much as several millions a year, and he was known to have dispensed it with a lavish hand, always using cash instead of checks. He was reported to have lost more than $100,000 on the last Dempsey-Tunney fight in Chic[illegible] before and

tigators were always seeking information about what went to the boss. Fred Ries, a witness in the trial of Jack Guzik, told of huge profits in a Cicero gambling house where he was employed. He said a portion went to Al Capone.

Louis La Cava, once a Cicero gambler in Capone's confidence, was brought to Chicago from Pittsburgh to give testimony regarding Al's wealth. "Two Gun" Louis Alterie, once a Capone partner, was brought here from his Colorado ranch to give evidence against Capone.

District Attorney Johnson received the coöperation of the Washington authorities in his determination to perfect his proofs against Capone. Frank Wilson, a special intelligence ace was sent here from the capital. Mr. Johnson, with his assistants, Dwight H. Green, Samuel G. Clawson, and Jacob Grossman, worked hand in hand with A. P. Madden, chief of the special intelligence unit of the department of internal revenue, and Special Agent Clarence Converse.

Investigators Join Gangs.

More than 1,000 persons were interviewed by the government agents. The investigators went everywhere Capone went and they questioned everybody Capone knew. Some of their men joined gangs and worked from the inside. Others were going from bank to bank, scanning accounts in names that might have been Capone aliases, tracing checks of saloonkeepers—always hunting evidence to be used against Capone, ruler of a lawless domain.

"They did a good ob and I am proud of them," Mr. Johnson said.

So well did the investigators perform that hundreds of Capone stills, breweries, booze warehouses, gambling houses, and brothels were raided. The prisoners were always questioned about Al's income and gradually concrete proof was massed for the final blow against the gang chief.

Syndicate Broken Up.

Yesterday it was announced at prohibition headquarters that a Capone alcohol syndicate that had an output of at least 10,000 gallons a week has been broken up and twenty prisoners are awaiting grand jury action. This syndicate had headquarters at Aurora and distributed alcohol throughout western Illinois, Iowa, Nebraska, Minnesota, and South Dakota. Chief Special Agent W. E. Bennett made the final arrests early yesterday morning.

Mike Meyers, Davis Meyers, Joseph Dolf and Joseph Rothstein were seized at Aurora. In Chicago the Cinquina brothers, Gabriel, Paul and Tony, all Caponites, were taken into custody. At Clinton, Ia., the Al Capone of that territory was captured—Mike Bloomberg. Others taken were the Price brothers, Richard, Frank and Russell of Waterloo, Ia.

How Evidence Was Obtained.

Prohibition agents say this gang has operated unmolested for four years during which they disposed of at least $30,000 worth of alcohol each week. Undercover Agent Joseph Hitzman bought alky from Mike Meyers at Aurora in quantities of 50 or 60 gallons at a time, and in that way won his confidence.

The alky gangsters boasted of having the roads "greased" from Chicago all the way west excepting through Lee county, where the former and present sheriffs refused to give them protection, according to the agents. Hitzman, who used the name of Joe Jeracec of Des Moines, Ia., said he told them he had to pay to get through Princeton, Ill., and they told him to get the name of the policeman who dared charge "road tax" and they would take care of him.

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over the hill to the federal penitentiary.

The notorious gang leader, indicted early yesterday afternoon on charges of neglecting to turn over to the government the later's share of $215,080 of his $1,038,654 income for the years 1924 to 1929, inclusive, surrendered and was freed on $50,000 bonds pending his arraignment.

It was indicated today, however, that "Scarface" may be sitting in a federal penitentiary long before the income tax indictment is charged.

Faces Another Sentence.

There is still that little matter of a six months sentence for contempt of court, imposed by Federal Judge James H. Wilkerson, because of Capone's reluctance to leave his palatial Florida estate to come to Chicago and submit to questioning more than a year ago.

Federal prosecutors declared the contempt appeal probably would be decided soon and, they believed, not in Capone's favora—nd they said a strong probability that the "big shot" would soon be face to face with a federal prison.

As soon as he learned of the indictment yesterday, Capone and his attorneys, Capt. William F. Waugh and John J. Goshkin, appeared at the office of United States Marshal C. W. Laubenheimer.

Preceded by Bond

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CHICAGO ILL POST
SATURDAY, JUNE 6, 1931.
FOUR PARTS

ARRAIGNMENT OF CAPONE NEAR IN INCOME TAX CASE

Gangster, However, May Go to Prison in Another Matter.

The government today was preparing for Al Capone's grand court finale —his arraignment on charges of evading the income tax law, which has sent some of his trusty lieutenants over the hill to the federal penitentiary.

The notorious gang leader, indicted early yesterday afternoon on charges of neglecting to turn over to the government the later's share of $215,080 of his $1,038,654 income for the years 1924 to 1929, inclusive, surrendered and was freed on $50,000 bonds pending his arraignment.

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Preceded by Bond

A surety bond for $50,000 had preceded him and after Federal Judge John P. Barnes, who issued a warrant for Capone's arrest, had signed the bond the gang leader was freed.

United States Attorney George E. Q. Johnson, whos efforts in uncovering "hidden asets" of so many Chicago gangsters has resulted in their subsequent sojourn in prison, was today preparing for the supreme test against Capone, the most powerful of all.

More than 1,000 persons, including influential members of the Capone's own gang, saloon owners, beer truck drivers and any others connected with the booze industry, have been interviewed by federal men, in closing the income tax net about Capone.

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cial brains of the Capone gang, pleaded guilty and he is now serving 18 months in Leavenworth prison.

Jack Guzik was found guilty of evading income taxes by a jury and his punishment was fixed at 5 years in Leavenworth. Sam Guzik, brother of Jack and an important Capone cog, pleaded guilty and he was on his way last night to serve a year and a day at Leavenworth. Louis Lipschultz, a brother-in-law of Jack Guzik, is facing prosecution.

These gangster prosecutions were aside from Mr. Johnson's other successes in obtaining pleas of guilty from Frank Lake and Terry Druggan, the beer baron twins, and his conviction of State Representative Lawrence G. O'Brien and Assessor Gene G. Oliver, and the indictment of former Building Commissioner Christian P. Paschen, all on income tax fraud charges. As they phrased it at the federal building, Prosecutor Johnson's batting average to date is 1000.

Earlier True Bill Included.

The government, in the Capone indictments, did not allege the sources of the income. The income figures in the two indictments are:

	Net. income.	Tax owed.
1924	$ 123,101.89	$ 32,489.24
1925	257,285.98	55,365.25
1926	195,676.00	39.962.75
1927	218,056.04	45.557.76
1928	140,535.93	25,887.72
1929	103,999.00	15,817.76
Total	$1,038,654.84	$215,080.48

The net income represents a deduction of $1 per year from Capone's gross income. Much of the income represented money telegraphed from Chicago to Capone at his estate, near Miami, Fla., where he has been in considerable trouble with the authorities. Other represented the known profits of Capone from Cicero gambling houses, dog tracks, and horse racing bets. As far as could be ascertained no specific portion of the income was chargeable to Capone's wholesale bootlegging activities.

Capone's actual income—the syndicate income—has been estimated at as much as several millions a year, and he was known to have dispensed it with a lavish hand, always using cash instead of checks. He was reported to have lost more than $100,000 on the last Dempsey-Tunney fight in

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Chicago Daily News June 6, 1931

Al ("Scarface") Capone, hoodlum No. 1 in the racket world, indicted for income-tax frauds, will be speeded to trail, according to indications in the federal building today.

Aids of District Attorney George E. Q. Johnson were reported to be completing preparations to bring the case to trial, while rumors persist that Capone might enter a plea of guilty, forecasting the possibility that he may shortly follow others of his clan caught in the prosecutor's drive.

Meanwhile Sam Guzik, brother of the notorious Jake, brothel chieftain for the Capone outfit, who surrendered last night shortly after the indictment against Capone was returned, was taken to the Leavenworth penitentiary this morning. Sam was placed aboard a train last night for the government prison, where he will serve a sentence of a year and a day, also for income-tax evasion.

Capone Out on Bail.

Capone was at liberty today on a $50,000 surety bond posted by the gangster upon his surrender yesterday afternoon after the indictment was returned before Federal Judge John P. Barnes. The hoodlum chief is charged with tax evasion of $215,080.48 on an income of $1,038,654.84 for the years 1924 to 1929.

The indictment for the 1924 income evasion, it was revealed, was returned by the federal grand jury March 13 and suppressed. This was done so the charges could be prosecuted under the six-year statute of limitations.

The other indictment returned yesterday brought the total charges to six felony counts and two misdemeanors.

Capone faces a possible maximum penalty of thirty-two years' imprisonment and fines totaling $80,000 under the counts set forth.

Capone's quick surrender, coupled with the strain known to have been placed on his organization's treasury by the vigorous campaign of Prosecutor Johnson, tended to give credence to the reports that he would plead guilty, which were circulated immediately after his appearance in the federal building. The success of the government prosecutor's drive, it was pointed out, also obviously has had its effects on the hoodlum leader.

While in the office of United States Marshal H. C. Laubenheimer Capone attempted to keep up an appearance of joviality, but his general demeanor indicated that he was not unworried.

When asked regarding the rumor that he might "cop a plea" he replied tersely:

"There's nothing to that."

Climaxes Long Inquiry.

The indictment climaxed a two-year investigation, in which more than a hundred federal men participated at times under the direction of the special intelligence unit of the internal revenue department, headed by A. P. Madden.

District Attorney Johnson's campaign against gangsters reached high spot with the indictn

The district attorney's specia in income-tax prosecutions, Assist District Attorneys Dwight H. Green Jacob I. Grossman and Samuel Clawson, announced they have developed an "airtight" case against Capone.

Sam Guzik Surrenders.

Sam Guzik, who pleaded guilty some time ago, appeared at the federal building yesterday accompanied by his attorney, Capt. William F. Waugh. He surrendered to Deputy Marshal Joseph Spezzerri and at 7 o'clock last night was started on hi way to the penitentiary.

His $2,500 fine was remitted Federal Judge James H. Wilker when it was shown that the gover ment had confiscated $2,900 he

CHICAGO ILL HER & EXAM
SATURDAY, JUNE 6, 1931.

GUZIK STARTS TO U. S. PRISON FOR TAX TERM

Joins 'Enforcer' Nitto as Victim of Federal Drive; Other Gangsters Face Same Fate

(Picture on Back Page.)

Sam Guzik, corpulent and loquacious Capone lieutenant and brother of Jake Guzik, started for Leavenworth penitentiary last night to begin his year and a day prison sentence for income tax violations.

He left in custody of United States marshals only a few hours after hearing that Al Capone himself had been indicted on similar charges.

Sam appeared at the Federal Building in company with his attorney, Capt. William F. Waugh, who also represents Capone, and surrendered to Deputy Marshal Joseph Spezzerri.

KEEP BANKROLL AS FINE.

The $2,500 fine levied against Sam was vacated by the court on agreement with the internal revenue department. Agents of that office had seized the $2,900 bankroll Sam was carrying when he was arrested. This was kept in lieu of the fine.

Sam's case was another blow struck by the government since United States Attorney George E. Q. Johnson instituted the income tax drive against the underworld.

RALPH FACES PRISON.

The score of the campaign stands:

Ralph Capone, brother of "Scarface Al": Sentenced to serve three years and pay a fine of $11,500. His appeal is now pending, and a decision is expected from the Circuit Court in a few days.

Terry Druggan, beer runner: Pleaded guilty, with the stipulation that he might change his plea in the event of Ralph Capone winning a reversal.

Frankie Lake, formerly Druggan's partner: Same as Druggan.

Jake Guzik, Capone lieutenant specializing in vice resorts: Sentenced to five years and a $17,500 fine. His appeal is also pending.

Frank ("The Enforcer") Nitto, Capone lieutenant and business manager: Serving a term of eighteen months at Leavenworth; he must also pay a $10,000 fine.

Louis Lipschultz, racketeer and brother-in-law of Jake Guzik: Found guilty; to be sentenced June 8.

Sam Guzik: On his way to Leavenworth.

OFFICIALS TARGETS.

In addition to the gangsters, various public officials have been targets of the government's war.

County Assessor Gene Oliver, sentenced to eighteen months and a fine of $5,000, has an appeal pending.

State Representative Lawrence C. O'Brien was sentenced to eighteen months and a $6,000 fine. His appeal is pending.

Now under indictment and waiting arraignment on similar charges are: Christian P. Paschen, former building commissioner; George L. Chamberlain, head of the U. S. A. Company, electrical contractors for the Sanitary District; Fred W. Rhodes, his secretary, and William E. Nichols, cement salesman and associate of Oliver.

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SCHENECTADY N Y STAR
SATURDAY, JUNE 6, 1931.

CHICAGO GANGSTER CHIEF SURRENDERS ON U. S. CHARGES

Chances of Escaping Conviction and Imprisonment Seen as Slight

CHICAGO, June 6—(UP)—Indictment and surrender of Scarface Al Capone on charges of evading income tax payments was hailed today throughout Chicago as marking definitely the downfall of the most powerful and elusive gang chieftain in local or American history.

Chances of Escape Slight

Federal, state and city officials, as well as all newspapers, agreed that Capone's chances of escaping conviction and imprisonment were slight.

Such predictions were based upon the record of United Stats District Attorney George E. Q. Johnson, who brought about Capone's indictment after three years of work during which many lesser gangsters were captured and many stills destroyed and in which as many as 50 government agents engaged at times.

Capone, the chief of all gang chiefs, was the ninth gangster indicted. Johnson has been successful in his prosecution of the previous eight. It was considered safe to predict he would be successful in the ninth.

Capone's surrender came late yesterday, three hours after indictments against him were made public. He was accompanied to the U. S. marshal's office by his attorneys.

A surety bond for $50,000 to cover the amount previously set, preceded him. He was in the office only a short time, signed his bonds, then disappeared again into the underworld which he had controlled for several years.

The two indictments, one of which was voted in March and kept secret, charged that Capone owed the government $215,080.48 on a total income of $1,038,654.84 during the years 1924 to 1929, inclusive.

No pretense was made that this was Capone's total income for those years. It represented instead the amounts which Johnson and his staff said they knew they could prove he had earned. The gangster never has paid any income tax. Locating his wealth was a work of years, officials said, because he dealt always in cash and kept no bank accounts.

The voluminous indictments did not specify that any of the income designated had been derived from the extensive liquor or vice syndicates Capone is said to have controlled and from which it was said he made millions annually.

It revealed after Capone's surrender that much of the income specified represented money sent to him from Chicago when he was living at his estate in Florida.

Other evidence was gathered, Johnson revealed, by questioning of other gangsters who "squealed" on their "big boss" to save themselves. Some of these gangsters were members of

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EVANSVILLE IND PRESS
SATURDAY, JUNE 6, 1931.

LONG TERM IN PRISON SEEN FOR CAPONE

Gangster May Plead Guilty to Escape Revenge of His Enemies

MAY GET 32 YEARS

Surrenders to U. S. and Gives $50,000 Bond for Appearance

By United Press

CHICAGO, June 6.—Indictment and surrender of Scarface Al Capone on charges of evading income tax payments was hailed today thruout Chicago as marking definitely the downfall of the most powerful and elusive gang chieftain in American history.

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Afraid of Death

The maximum term for the offense charged, U. S. officials said, is 32 years in prison. The gangster may also be fined $80,000.

The report comes from some sections that Capone, his fortunes near a disastrous turn, is afraid he will be killed momentarily by rivals and may plead guilty, seeking the safety of prison walls.

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Money Concealed

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Other evidence was gathered. Johnson revealed, by questioning of other gangsters who "squealed" on their "big boss" in order to save themselves. Some of these gangsters were members of Capone's "inner circle," the "cabinet" or lieutenants who were said to have ruled the gang world.

During the three years that Capone's income was under investigation, scores of stills, roadhouses and vice resorts were raided. Every person arrested was questioned regarding money paid to Capone from these "enterprises."

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MILWAUKEE WIS LEADER
SATURDAY, JUNE 6, 1931.

AIM NEW BLOW AT CAPONE VIA U. S. DRY LAW

Indictment Under Prohibition Act Looms.

BY THOMAS L. STOKES.
Staff Correspondent
The United Press

WASHINGTON—Indictment of Al Capone, Chicago gang leader, on charges of conspiracy to violate the prohibition laws, thus striking directly at his far-flung bootleg racket, is expected to follow the federal government's first blow in securing indictment for alleged income tax law violations.

Government agents, it was learned today, gathered a mass of evidence against the gangster's liquor operations in the investigation which brought his indictment yesterday at Chicago on charges of 22 income tax law violations.

Al Is "Up Against It."

Officials believe a successful move against the giant liquor racket which the chunky little Italian has built up, on top of the income tax move, would wipe out the organized bootleg ring which has made him known from coast to coast.

The indictment of the liquor charges is expected momentarily, the United Press learned.

Capone, according to word from Chicago, is to plead guilty to the income tax law violations, and thus will be in the hands of the government. Undoubtedly he knows what the government has on him and is ready to end the amazing career that has to go back to the days of the early wild west for a parallel.

"Beginning of End."

CHICAGO—The indictment and surrender of Scarface Al Capone on charges of evading income tax payments was hailed today throughout Chicago as marking definitely the

Turn to Page Two, Column Seven.

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AIM NEW BLOW AT CAPONE VIA U. S. DRY LAW

Continued From Page One.

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Eight "Put Away"; Al Is Ninth.

Capone, the chief of all gang chiefs, was the ninth gangster indicted. Johnson has been successful in his prosecution of the previous eight. It was considered safe to predict he would be successful in the ninth.

Capone's surrender came late yesterday, three hours after indictments against him were made public. He was accompanied to the United States marshal's office by his attorneys. A surety bond for $50,000 to cover the amount previously set preceded him. He was in the office only a short time, signed his bonds, then disappeared again into the underworld which he had controlled for several years.

Never Has Paid Income Tax.

The two indictments, one of which was voted in March and kept secret, charged that Capone owes the government $215,080.48 on a total income of $1,038,654.84 during the years 1924 to 1929, inclusive.

No pretense was made that this was Capone's total income for those years. It represented instead amounts which Johnson and his staff said they knew they could prove he had earned. The gangster never has paid any income tax. Locating his wealth was a work of years, officials said, because he dealt always in cash and kept no bank accounts.

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pointing out that there were no records in the government land office declaring this stream navigable but that the question of whether it in fact is navigable should be determined in court before any change in the course of the creek is undertaken.

The recommendation of the commission, together with the five plans, will be submitted to the common council for its consideration.

Michael MacWhite, Irish Free State Envoy, Visits Here

Michael MacWhite, minister to the United States from the Irish Free State, began a four-day visit in Milwaukee today.

The envoy arrived in Milwaukee last night, accompanied by Miss Anne Costello, president, Milwaukee Patrician club, and W. J. Kingston, state president, Ancient Order of Hibernians.

Among the Milwaukee Irishmen who met the party at the North Western road station were Acting Mayor Cornelius P. Corcoran; Adjutant General R. N. Immell, state guards; and Prof. John A. MacChrystal, Marquette university, founder of the Patrician club.

Today's activities began with a call upon Archbishop Samuel A. Stritch.

At noon MacWhite was the luncheon guest of Michael Cudahy at the Wisconsin club.

THIS IS ANOTHER KOSS.

Casimir Koss, engaged in real estate business on the south side, is not the Casimir Koss sentenced Thurday for assault and battery. The real estate dealer feared persons might get the impression he is the bandit and asked The Milwaukee Leader to print a story in his behalf.

CELEBRAT

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AKRON OHIO TIMES Press
SATURDAY, JUNE 6, 1931.

Capone Reign at End? May Plead Guilty to U. S. Tax Indictments

Evidence of Evading Payments Believed Certain to Send Gang Chief to Pen; Probe Covers Years

Special to The Times-Press

CHICAGO, June 6.—While Chicago wondered, the portals of the underworld closed again Saturday behind the sartorial elegance of "Public Enemy No. 1," "Scarface" Al Capone, after his surrender yesterday for prosecution as a Federal income tax evader.

For a brief hour the almost legendary figure of the squat, dapper Sicilian, a thug in spats, was on parade within the arms of the law. Accompanied by "mouthpieces" and $50,000 in bail money, Capone hung his gray fedora in the Chicago U. S. marshal's office late Friday to answer indictments for failure to pay a tax of $215,080.48 on a total income of $1,038,654.84 from 1924 to 1929, inclusive.

And then, the bond signed, he faded back into the murk of the half-world, while Chicago wonders, and speculates as to the future.

Officialdom and the Chicago press prophesy that his chance to beat the "rap" is slender. And convicted upon all counts a maximum sentence will put him away for 32 years, or until his scar fades out.

End of Reign?

Does this mean the end of his reign? Does it mean that he prefers prison to the assaults of his enemies? Does it promise an end to "racket rule" in Gomorrah-on-the-Lake?

These were questions raised in Chicago today as it appeared certain that the gang leader would face the most serious of many attempts to "put him away."

Predictions that Capone would be convicted were based upon the record of U. S. Dist. Atty. George E. Q. Johnson, who brought about Capone's indictments after ferreting the badlands three years with as many as 50 government agents.

Capone, chief of gang chiefs, was his ninth victim. Prosecution of the previous eight was successful.

Capone's surrender came three hours after indictments were made public.

Voted in March

There are two indictments against him. One, voted in March and kept secret until now, charges that Capone owed the government $215,080.48 on a total income of $1,038,654.84 during the five years ending with 1929.

No pretense was made that this was Capone's total income for the period. It represented instead the amounts Johnson and his staff said they knew they could prove he had earned. The gangster never has [illegible] wealth w[illegible] a work of years, officials said, because he dealt always in cold cash and avoided banks.

The voluminous indictments specify no income derived from the "racket" syndicates Capone is said to have controlled and from which it was said he made millions annually.

Much of the income covered in the charges was money sent him from Chicago while he basked in Florida's sunshine.

Much evidence was gathered, Johnson revealed, by questioning Capone's "inner circle," the lieutenants who with him were said to rule the gang world. They are al[illegible] to have "squealed on the boss" to save themselves.

Sure of Evidence

During three years, working day and night, sometimes with half a dozen men, sometimes with 50, Johnson gathered his evidence bit by bit. Never, he said, did he consider indicting Capone until he was "sure."

Becaues of this sureness on Johnson's part, predictions were made freely today that Capone might plead guilty.

The gangster already has had one experience in a Federal Court. He came out the loser, under sentence of six months in jail for malinger[illegible] called as a Grand Jury [illegible] appeal is yet pending.

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SYRACUSE N Y STANDARD
SATURDAY, JUNE 6, 1931.

Crime

CAPONE OUT ON $50,000 BAIL IN TAX CASE

Indictment of Gangster Follows Two-Year Investigation

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U. S. AGENTS BUSY

More Than 100 on Trail of Al's Sources of Revenue

CHICAGO, June 5. (AP)—"Scarface Al" Capone, the head man of Chicago's underworld, was indicted on a federal grand jury today for evading the taxes on a six-year income of $1,038,654.84. Three hours later he surrendered, posted $50,000 bond and was released.

The charges against the notorious gang leader included two indictments and 26 counts. The indictments establish a government claim of $215,080.48 against Capone. They include six felony counts and two misdemeanors which, if successfully prosecuted, could mean a maximum sentence of 32 years and fine of $80,000.

The income received by Capone from his liquor, vice and gambling interests was much larger than the indictments indicate, Johnson's assistants said, the figures showing only what the government is prepared to prove.

The net income for the year 1924-1929 on which the government based its charges follow: 1924, $123,101.89; 1925, $257,285.98; 1926, $195,676.00; 1927, $218,056.04; 1928, $140,535.93; 1929, $103,999.00.

The total was much smaller than had been expected. Jack Guzik, one of Capone's henchmen, had been convicted and sentenced to five years on charges that involved an income slightly greater than Capone's and that included only three years. His income for 1927, 1928, 1929 was set at $1,035,202.35 and the amount of tax owed at $225,919.59.

Indictment of Capone Follows Two-Year Hunt

BY CLEM LANE

Copyright, 1931, by N. A. N. A., Inc., and Chicago Daily News.

CHICAGO, June 5.—The inquiry into "Scarface Al" Capone's income—it took more than two years and enlisted at times more than a 100 men—was said by federal men today to have been the most thoro investigation ever conducted by the internal revenue department of the United States government.

The inquiry was conducted by the special intelligence unit of the internal revenue department—the local unit headed by A. P. Madden and special details from Washington sent by Elmer L. Irey, chief of the unit. The names of the individual agents were withheld by the government.

Pose as Eastern Gunmen

There were agents who posed as eastern gunmen looking for a job. They hobnobbed with gangsters in gangster haunts, attended their parties and banquets, frequented spots where a slip of the tongue might have made them the target for a hundred guns.

Agents scurried about the vast spider web of Capone—its center in Chicago, its lines stretching into New York and Washington, to Florida and Pennsylvania to Michigan and California.

Mostly, the agents said, they found themselves against a stone wall of silence, silence on the part of th[illegible] men who knew but who had great[illegible] fear of Capone than of the govern[illegible] ment of the United States.

Seldom Signed Name

The agents were handicapped too, by a wily foe.

So wily was Capone that rarely could they find where he had signed his name. Bank after bank, here and elsewhere, were combed in a futile hunt for a Capone bank account. Money he seemed to have at all times, but where he got it and how much he had were questions that kept the intelligence unit at work for more than two years.

When United States District Attorney George E. Q. Johnson determined to rid Chicago of gangs he looked about for a weapon. The district attorney decided to utilize the income tax law.

The agents were set on the trail of the Capone gang. They went to Cicero, suburban stronghold of the hoodlum syndicate, to see what the[illegible] could learn. They heard much gos[illegible]

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CINCINNATI OHIO ENQ
SATURDAY, JUNE 6, 1931.

FEDERAL NET

Catches Al Capone.

Monarch Of Underworld Gives Up On Charge

Of Income Tax Evasion Over Six Years.

Government Detectives Labored Amid Perils.

Sleuths Joined Gangs, Posing As Gunmen.

At Last Found Evidence Of $1,000,000 Fraud.

Vice Ruler, Facing 22 Counts, Which May End His Reign, Is Released Under $50,000 Bond.

By Frederick C. Othman.

Chicago, June 5—(UP)—"Scarface Al" Capone, head of "the worst criminal outfit that ever existed," surrendered late today to face Federal income tax fraud charges.

A few hours after a Federal Grand Jury had indicted him, the multi-millionaire hoodlum, vice chief, bootleg king and gambling overlord appeared at the office of the Federal Court Clerk, to arrange a $50,000 bond, pending a trial which authorities hope will end the underworld kingdom of Caponedom.

Grinning into a battery of newspaper cameras and flanked by his high-priced legal staff, Capone signed the surrender papers and then waddled into the Court of Judge John P. Barnes to be arraigned.

HE WAITS IMPATIENTLY.

The Judge was hearing another case. So Capone, charged with having defrauded the government of taxes due on $1,038,654.84, waited impatiently for his turn at the tribuna

x on this undeclared income is

Finally Judge Barnes took up t case of America's most notorious bad man, approved his $50,000 bond and ordered his release. Capone, smiling even more broadly, went out into the late afternoon sunlight to pose again in his new pale gray suit for the army of photographers who swarmed around the Federal Building.

Capone said not a word during the brief proceedings. He would not comment on the chances of his serving a maximum sentence of 32 years in Federal prison if found guilty.

The pudgy Capone, with the livid scar from some forgotten knife play streaking his left cheek, is accused of having made no income tax returns from 1924 to 1929, the years in which his super-crime syndicate brought him untold riches and made it unsafe for him to appear in public anywhere in the United States.

ARMY OF SLEUTHS.

While Capone thus was directing his extra-legal operations from a Florida castle guarded by underworld troops, from a Chicago hotel room lined with bullet-proof steel plate and from a veritable arsenal in suburban Cicero, an army of Federal agents checked his fabulously profitable operations.

They found evidence which led to the 22 counts in the indictment, charging him with an income of $1,038,654.84 in the six-year period. They explained that although his income perhaps was 10 times that amount, he had so disguised his holdings of breweries, distilleries, real estate, stocks and bonds, that it was possible for them to uncover only a small portion of his inflowing dollars.

The investigation into the thick-lipped, heavy-browed Capone's affairs was called "the masterpiece of the special intelligence unit."

MORE THAN 100 ON JOB.

More than 100 Federal agents, tax experts, financial men, accountants and detectives delved into the Capone case for more than two years, interviewed 1,000 persons and questioned scores of witnesses.

They worked under direction of District Attorney George E. Q. Johnson, mild-mannered little man who swore to break up Chicago's notorious gang on his own initiative when local authorities admitted their inability to stop the Capone depredations.

After Johnson had seen Capone walk time and time again from police stations a free man, after he had watched Capone's henchmen, the "Terrible Tommies," the "Machine Gun Jacks" and the "Mike De Pikes,'" figuratively snicker at the Police Department's vain efforts to and them in jail, Johnson vowed to

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wreck the Capone empire through income tax prosecution.

The "big shots" one by one were trundled off to prison through Johnson's efforts. Scarface's young brother, Ralph ("Bottles") Capone, so known because of his champagne night clubs, was sentenced to three years. Al's cousin, Frank Nitti, known as "The Enforcer" from many cruel sessions of torture by fire, of one-way rides, of Capone's enemies shot in the back, was sentenced to 18 months.

Jack Guzick, whose bediamonded fingers and checkered vest heralded his comings and goings through Loop speakeasies as Capone's collector, received five years. His brother Sam, one of the "heavy men," adept alike with machine gun and club, received one year in the penitentiary.

Louis Lipscheuts, Frankie Lake and Terry Druggan also felt the bite of Johnson's tax indictments. But to obtain evidence against "Scarface Al" was the primary job of the army of Federal men who worked under A. P. Madden and E. L. Irey, of the special intelligence unit of the Internal Revenue Department.

"Our men did a great job," said Madden, weary from long hours and sleepless nights of poring over underworld accounts. "The Capone gang was the worst criminal outfit that ever existed, with Scarface Al the head of the inner circle."

Some of the detectives in the dime novel thriller come-to-life, posed as Eastern gunmen looking for jobs. They attended gangster banquets, frequented underworld gambling dives

Others traced the Capone tentacles to New York, to Washington, to California, Florida, Michigan and Pennsylvanio. There was the thrill of high adventure, the prosaic task of poring over the telegraph files and bank records. There was the discouraging experience of bumping more often than not into walls of silence.

The agents learned that Capone rarely signed his name. They unearth a series of strange bank accounts in Cicero, all signed with the first name "James." Bank officials professed ignorance of them, although in some cases they had honored overdrafts of thousands of dollars a month. But the "James" accounts contained hundreds of checks signed by saloonkeepers.

So into the speakeasies went the detectives. What were the checks for?

"For chickens," replied the saloon keepers, "for chickens to serve our customers." One saloon owner, incidentally, had purchased enough "chickens" to feed most of Chicago.

Then the agents found the man who had taken the checks for "chickens.' Investigation of his dealings led to the cabarets of "Bottles" Capone.

And so at last the agents were beginning to see light. Further painstaking probes, dashes from one end of the land to the other, and secret arrests finally gave the Government a reasonably complete picture of the criminal government ruled by Capone, whose scepter was a machine gun, whose crown was a bullet-proof hat and whose royal carriage was an eight-ton limousine, lined with armor plate.

1931 49

AKRON OHIO BEACON JOUR
SATURDAY, JUNE 6, 1931.

CAPONE FACES 32-YEAR TERM ON TAX COUNT

8

Maximum Penalty For Gang Leader Also Includes $80,000 Fine

SUPPLIES $50,000 BOND

Two Indictments Cover Eight Counts; Agents Work On Case Two Years

By The Associated Press

CHICAGO, June 6.—The chief of gang chiefs—Alphonse Capone—today faced the possibility of a 32-year penitentiary sentence and a fine of $80,000 for alleged evasion of the government income tax.

Al Capone

This is the maximum sentence possible if he is convicted on the charges on which he surrendered yesterday, following his indictment by a federal grand jury.

He posted a $50,000 bond and was released. There were two indictments, one was returned yesterday. Another was voted March 16, but was suppressed. They contained six felony and two misdemeanor counts, and alleged a government tax claim of $215,080.45.

Ends Two-Year Quiz

The indictments marked the culmination of two years of investigation under the direction of A. P. Madden, chief of the special intelligence department of the internal revenue department, during which Madden said that more than 1,000 persons were interviewed.

A total income of $1,038,654.84 during the years of 1924 to 1929, inclusive was charged. Federal agents, however, said this did not represent Capone's income but only the sums which could be definitely traced.

There was no indication as to the exact date of the gang leader's trial,

(Continued On Page Five)

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AL CAPONE FACING 32-YEAR SENTENCE

Maximum Penalty For Gang Leader Also Includes $80,000 Fine

(Continued From Page One)

but United States Attorney George E. O. Johnson, wah has won a conviction against every gangster he has ~~tried for income~~ tax frauds, announced that he was ready for the supreme test against Capone.

Series Of Reverses

The indictments constituted but one of a series of blows the government has struck at Capone, whose income from his liquor, vice and gambling interests are reputed to have reached enormous sums. Within a few hours after the news of Capone's indictment became public, Sam Guzik, one of his lieutenants, was on his way to the federal penitentiary at Leavenworth, Kan., to serve a sentence of a year and a day for an income tax violation.

Almost simultaneously federal agents announced they had broken up what they referred to as a subsidiary of the Capone liquor syndicate, with the arrests of 20 men in Illinois and Iowa.

When Capone surrendered he was nattily attired, as usual, wearing a grey suit, black shoes, a white shirt, a black tie and a new straw hat, but for the first time in his infrequent courtroom appearances he appeared to have lost his smile. He said there was "nothing to it" when questioned about a rumor he would plead guilty.

Capone is already under a six months sentence on a charge of contempt of court for failure to return to Chicago from Florida in 1929 in response to summons from a grand jury investigating incomes. An appeal is pending.

1931 49

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CHICAGO, U.S.A.
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MAIN OFFICE

Crime

AKRON OHIO BEACON JOUR
SATURDAY, JUNE 6, 1931.

HOOVER WATCHES CAPONE'S PROBE

Beacon Journal Special Dispatch

CHICAGO, June 6. — Plain hard digging through an endless maze of financial records, coupled with sleuthing that would have delighted Sherlock Holmes, lies back of the indictment for reputed income tax fraud, of Alphonse Capone, No. 1 gangster of the country.

The indictments, with their counts, represent the work of nearly 100 agents during the greater part of two years. They are the fruit of the most impressive hunt ever staged by the internal revenue department. So important was the work regarded that President Hoover is reported to have taken an interest in it.

How thoroughly the case against the gang leader has been prepared was indicated by Capone himself when he appeared late Friday to give bond. The scarfaced czar was sullen and bitter, speaking only to bark the news to reporters that he would not compromise with the government on a guilty plea in return for a moderate prison sentence.

Boasts of Smartness

Al had boasted that he was too smart for the federal men.

He might have been except for their persistence, and thoroughness. There were no Capone bank accounts. Through all of the years the gang chief carried out all of his transactions in cash. He figured himself too wily for the government, but failed to measure his foe.

Under A. P. Madden, head of the local unit of revenue agents, and Elmer L. Irey, chief of the unit in Washington, agents were put to work. Some came posing as eastern gunmen looking for jobs. They got on the inside of the Capone gang and hobnobbed with Al and his leaders when a mistake would have ended them on a one-way ride.

Others went on the trail of persons with whom Capone did business — saloonkeepers in scattered sections, gamblers, real estate men, banks. A swarm of workers, cover-

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GIVE SALTIS' AIDE

Allen

June 8—Gemini

If June 8 is your birthday, the best hours for you on this date are from 11:10 a. m. to 1 p. m., and from 4 p. m. to 6:40 p. m., and from 9 p. m. to 10:30 p. m. The danger hours are from 9 a. m. to 10:45 a. m. and from 7 p. m. to 8:30 p. m.

Born on June 8, you are slow, but very sure. A deep thinker, you have a passion for getting at the truth, and never attempt to fool yourself or lull your senses by imagination. You are quite a serious sort of a person, and your philosophy of life is rather somber. With it all, you have a kind heart and a sympathetic nature, and try—very successfully at times—to help those who need help. At other times, an excess of inquisitiveness deprives a favor of much of its value.

Your ideals are high, and you do not render lip-service only to your beliefs and convictions. You endeavor to live them. You are not as tolerant as you should be, and your judgments, although sound, are not characterized by mercy. You possess a fund of valuable knowledge, and this is very clearly shown in your conversation, which usually delights and instructs.

Successful pepole born June 8:

1—Samuel Bowles—Journalist.
2—William M. Meredith—Secretary of treasury under Taylor.
3—Richard Soule—Author.
4—Henry R. Shelley—Organist.
5—Mary Reynolds Aldis—Founder of "Aldis Playhouse."
6—George M. Sternberg—Surgeon and author. Surgeon-general of U. S. army.

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again toward end of week.

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ing their tracks, went through Cicero, the central headquarters for the gang.

Find "James" Accounts

Here in banks they located a series of "James" accounts — James Carter, James Costello, James Costa, and other "James." The accounts mysteriously would be closed out and a new one opened always with the "James."

Bank officials would profess ignorance about these accounts, even when overdrawn as much as $6,000 in a month. Almost never would there be found a Capone signature. Tracing showed that many of the checks going into accounts came from saloonkeepers. The saloonkeepers said that the checks were in payment for chickens.

"One saloonkeeper," said George E. Q. Johnson, federal district attorney, responsible for the whole plan of attacking gangsters through income tax laws, "had given checks for enough chickens to feed all Chicago."

Deposited By Brother

The agents traced down further and found that checks were being deposited by Ralph Capone, Sam Guzik and Louie Lipschultz, as well as by Alphonse himself. Brokerage accounts were investigated and the net spread to Florida, where Capone was paying in cash for estates and yachts. He used currency to buy his $140,000 home at Miami Beach according to the government.

But with all of his care, the revenue investigators discovered income of $1,038,654 on which a tax of $215,808 should have been paid. This is considered only a fraction of the Capone income, but it represents all that the government could locate definitely and establish by documents over a five-year period.

GIVE SALTIS' AIDE

[CONTINUED FROM PAGE FIFTY-SEVEN]

be snubbed when he has a housewarming. California doesn't care for Chicago real-estate men—it has all the real-estate men it wants—and especially if they are Chicago real-estate men who have been hibernating in Florida. Why, California won't even let in Florida grapefruit, so no wonder it gets stirred up at the mention of Florida promoters!

Anton J. Cermak, the new mayor of Chicago, has flung aloft his oriflamme that Al Capone will have to move out of Chicago for four years. He may mean it, too.

But Al won't mind his banishment. Los Angeles has lots of inducements. For instance, there is the coast where boats may drop in and chat with friends any time they wish. And there are the Hollywood studios where actors have more loose money than almost anybody else in these horrific times.

FOR six months now the Chicago boys have been muscleing in, and with Al to lead them, they will become socially prominent.

What do the Los Angeles police say? "Al Capone cannot live in southern California." Well, that remains to be seen. He has heard other police say the same thing, but so far as records go he hasn't lost any sleep over it.

Al's life shows what hard work will do. He started from scratch and now, at the age of thirty-three, has homes in Chicago, Florida, and a lovely historic ranch in California. The horseback riding will do him good, for Al is getting overweight. He ~~weighs~~ 190 pounds, and is ~~only~~ five feet and eight inches. A canter over his sweeping hills and past the old San Luis Rey Mission will make a man of him.

Al likes to smoke cigars. Don Alfonso Capone can live on his hacienda, sit in his patio, and smoke and talk to his friends to his heart's content about real estate.

Plenty of room, too, for his seven personal friends who go where he goes and his big armored seven-ton limousine. Plenty of room for his pistol ranges, too. No excuse for his friends to get out of practice. If he gets bored he can hop into his car and in three hours' time be in the studios of Hollywood, and in less than that time can be in Mexico.

OF course Al will want an office in his new retreat. He had a very efficient one in the old Metropole in Chicago, and in his present one, it is understood, he has a mahogany desk of the latest design and a French telephone. He can have a nice private office on his ranch and the latest in telephones and radio.

He can sit in his office in his bathrobe which he loves so well, and receive communications from his friends out on the ocean, or if they are coming to call by airplane he can chat with them and tell them where the landing field is.

How jealous Bugs Moran is going to be that he didn't think of this ranch idea himself!

The first time Al's name was in print, so far as the records go, was in a Chicago paper nine years ago. He was so unknown and obscure that it was spelled "Caponi." Now he has three homes and an income of a million dollars a year. And still some people think there's no money in real estate!

THE END

Liberty is offering

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THEY must be short enough to be printed in a single page of Liberty—the shorter the better, but in any case not over 1,200 words. One hundred dollars apiece will be paid for any accepted and published.

All rights in such stories as are bought will be the property of Liberty, but any possible proceeds from book, picture, or dramatic rights will be divided with the authors on a fifty-fifty basis.

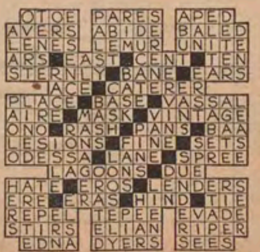
Otherwise the customary rules for submitting manuscripts will apply. Use one side of the paper only, and if possible use a typewriter, though legible handwriting will not be barred. All manuscripts are sent at the owner's risk. If you want rejected ones returned, inclose a stamped and addressed envelope—NOT MERELY STAMPS.

And when you send them address them simply to SHORT SHORT STORIES, LIBERTY WEEKLY, 1926 BROADWAY, NEW YORK, N. Y.

Authors and Authoresses!

Please remember that if you do not inclose a stamped and addressed envelope with your manuscript we cannot return it to you or write you concerning its destiny. We are receiving an enormous number of short short story manuscripts, and it has become necessary to enforce this rule very strictly.

We cannot undertake to enter into correspondence concerning these stories.



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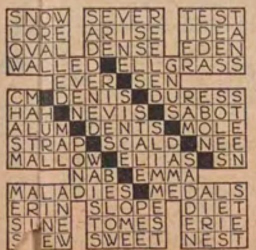
Answer to the puzzle on page 48



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1931 50

CRIME FIGHTERS REVIEW WAR OF YEAR ON ENEMIES

All of 28 "Persecuted" in One Way or Another, Says Report.

The vigilance of law-enforcing authorities of Chicago, "the pioneer in a constructive campaign against crime," in persecuting the twenty-eight "public enemies" listed by the Chicago crime commission is hailed in a report of the commission, "Public Enemies—One Year After," which was made public today. The first list of public enemies was compiled by The Daily News and published Feb. 7, 1930. Later the crime commission gave out its list which included only part of those named in The Daily News.

Reporting the present status of the original group, many of whom have been killed, ordered deported or are awaiting sentence, the announcement observes that it is a "source of satisfaction to report that because of the activities of the public officials . . . the situation has been greatly improved."

The report salutes the "vigorous service to the community rendered by the state's attorney's office, the Municipal court and the Criminal court, "and pays special tribute to the campaign of United States Attorney George E. Q. Johnson waged upon the treasury of the Capone gang.

Tabulation of Results.

The following tabulation of the status of the twenty-eight "public enemies" on the list published April 23, 1930, of Chicago's most notorious gangsters is included:

In penitentiary or jail	3	Ordered deported	1
Under sentence	4	Killed	2
Awaiting sentence	1	Awaiting judgm	1
Ordered extradited	1	Fugitives	5
		Cleared of charges	6

Two more, however, Edward ("Spike") O'Donnell, south side beer chieftain, and Rocco Fannelli, Capone lieutenant, yesterday raised the total of those cleared of charges to eight when vagrancy charges against them were dismissed by Judge Justin McCarthy on motion of the state for lack of evidence.

"Concerted Action" Effective.

"There has been concerted action," the report states, "on the part of the law-enforcing authorities, among the most notable being the raiding and disruption of many sources of the Capone income by federal authorities. In addition, there has been a noticeable tightening of police surveillance of gangsters, and their operations have been made increasingly difficult.

"Not only has there been pressure upon the twenty-eight public enemies but there is evidence of a general assault all along the
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News 5/19/31
Crime

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—THIRTY-EIGHT PA

GANGS ON WANE HERE SINCE 1928, JOHNSON SAYS

U. S. Prosecutor Tells Men's Club Crime Income Is Less.

TAX INQUIRY EXPLAINED

BY CLEM LANE.

Gang syndicates in Chicago are on the run and 1928 was the last year of out-and-out lawlessness in the city, George E. Q. Johnson, United States district attorney, last night told members of the Rogers Park Men's Club in Overdier hall of the Rogers Park Congregational church.

Mr. Johnson quoted figures to show the declining income of one gang syndicate (unnamed, but apparently the Capone gang) and asserted the syndicate had largely disintegrated.

That other cities, no matter how they put the soft pedal on crime news, have their own troubles was indicated by Mr. Johnson, who said that Kansas City business men have paid $800,000 in ransom to kidnap gangs during the last three years.

W. B. Swindell, club president, presented those at the speakers' table and Oscar A. Kropf, chairman of the board of the Howard Avenue Trust and Savings Bank, introduced Mr. Johnson as "square, all wool and a yard wide, without frills or furbelows."

Mr. Johnson stood up. At first glance he looks more the clergyman or college professor than the fighting prosecutor—at first glance. His black hair, streaked with gray, is neatly parted in the middle over a high forehead. His eyes are dark behind round, silver-rimmed spectacles. His nose is thin, fine, and his mouth sensitive. And then comes the Johnson jaw, a square jaw that juts out and [illegible] belies the mildness of the features above.

Tells of Difficulties.

The United States district attorney told of some of the difficulties besetting income tax investigations. Again he mentioned no names but he was evidently referring to Ralph Capone.

"We came across the trail of this man in the course of another investigation. We located his bank. His account had been closed. But there was a peculiar circumstance. Other accounts had been opened under various names, but always with the first name of James—James Carter, James Costello and so on—and these accounts would run for a few months and then be closed, but the new James account would also open with the balance of the old.

"We called in the bank officials and they protested they did not know who this person was. And yet they had been honoring overdrafts of $4,000 to $6,000 a month! And they expected us to believe them. The records had been done away with, so it meant a search through clearing house records. The search was made.

"Another investigation was directed in the area where this man was active. The saloonkeepers and gamblers whose checks we ran across in the clearing house records told of giving these checks to a little man. They gave him the checks for chickens. One saloonkeeper had bought enough chickens to supply all the hotels in Chicago.

"One of our government agents got from the police records a picture of man fitting the description of the little man of our case. The saloonkeepers identified the picture and it enabled us to link up the various facts in the case.

"But that is what we are up against in investigations."

Defines Organized Crime.

Mr. Johnson gave a definition of organized crime—"Organized crime is crime which makes a business of crime."

"Every gang," he said, "has a pasty faced crook at the head of it, a crook in collusion with police and politicians. But all police are not dishonest. Most of them are inherently honest, but often the arm of the n
paralyzed by corrupt po
The district attorn

1931 50

GANGS ON WANE HERE SINCE '28, JOHNSON SAYS

[Continued from First Page

prohibition violations, gambling, [illegible]eteering (preying on trade associations and unions) and vice.

"Kidnaping," he said, "is rapidly coming into the big money class. The secretary of the crime prevention committee of the Kansas City Association of Commerce told me that business men there in the last three years have paid $800,000 in ransom to kidnap gangs."

Shows Waning Incomes.

The figures cited by Mr. Johnson to show the waning income of the gangs were as follows:

"In 1926 the income of this one syndicate was $1,775,552.44. In 1926 Mayor Dever made a desperate effort to halt the gangs that were overrunning the city and as a result the income of this syndicate was cut to $930,492. In 1927, a campaign was made on the issue of an open town, and, although the words of the campaign were within the law, the implications were there for the gangsters to hear. District attorneys and state's attorneys have told me that the gangsters and hoodlums of their cities came to Chicago by the score.

"In 1927 the syndicate's income, therefore, was $1,787,436. And in 1928—the year that will go down in Chicago's history as the last year of out and out lawlessness—the syndicate income was $1,641,979.37."

Asks End of Tolerance.

Mr. Johnson pleaded for an end of tolerance, tolerance of evil. He advocated closer co-operation between Chicago police and the Cook county sheriff to fight gangsters on a countywide scale.

He asked support for his proposal for a bureau to audit public contracts, citing twelve public contracts where the work cost the taxpayers $3,688,987 and which, according to the income tax investigations, showed a profit to the contractors, including graft payments, of $2,264,000.

The uniform accounting system proposed under the audit bureau system would aid prosecutors in getting at facts about public contracts much easier than can now be done under a process of search warrant or subpœna duces tecum, Mr. Johnson said.

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CHICAGO ILL TIMES
SATURDAY, JUNE 6, 1931.

U.S. RUSHES CAPONE TO TRIAL

LORD OF GANGLAND FACES LONG TERM FOR TAX FRAUD

That Al Capone, Chicago's poorest world's fair advertisement, will get the quickest trial of any of the members of his syndicate brought before the bar of federal justice, was indicated today when U. S. Dist. Atty. George E. Q. Johnson, who has yet to lose his first case against a gangster indicted for income tax frauds, stated that in all probability Capone will be tried this summer.

This being the case, Federal Judge Wilkerson's sentence of six months in the Cook county jail for contempt of court, from which Capone has appealed, may be superseded by a long penitentiary sentence.

G. E. C. Johnson.

Capone is charged with owing the government $215,080 on an income of $1,038,654 from 1924 to 1929.

Al will probably be interested in learning today that with simultaneous raids in Aurora and Waterloo, Ia., federal dry agents completed a year's investigation which has broken up an $8,000,000 alcohol syndicate, said to be headed by the local Big Boy of racketdom.

The federal agents, directed by Chief Bennett, now have evidence upon which a blanket indictment of 45 men will be asked.

Sam Guzik, brother of Jack, Capone's business manager, is en route for a year and a day at Leavenworth as a result of a plea of guilty to charges of violation of the income tax law.

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Capone

GANGSTER GIVES $50,000 BOND IN TAX FRAUD CASE

Tribune 6/6/31

Accused of Evading $215,080 Levy.

(Pictures on back page.)

A day of reckoning arrived yesterday for Scarface Alphonse Capone, public enemy No. 1. He surrendered to the government after having been named in an indictment returned early in the afternoon which accused him of evasion of income taxes amounting to $215,080. United State Attorney George E. Q. Johnson, who has won a conviction against every gangster he has tried for income tax frauds, announced he was ready for the supreme test against Capone, the chief of gang chiefs.

JUDGE BARNES.
[TRIBUNE Photo.]

Capone, on learning that the indictment had been returned, went directly to the office of United States Marshal H. C. W. Laubenheimer, accompanied by his attorneys, Capt. William F. Waugh and John J. Goshkin. His bail had been fixed at $50,000. A surety bond had preceded him and it had been examined and approved in the district attorny's office. Deputy Marshal Joseph O'Neill, as soon as Capone appeared, served him with a bench warrant issued by Federal Judge John P. Barnes, before whom the indictment was returned.

Freed Until Arraignment.

Capone was taken to the court clerk's office, where he signed the bond, and then before Judge Barnes, who attached his signature, and Capone was free so far as the income tax case is concerned until the day of his arraignment. But Capone is under $5,000 bonds on an appeal from a six months' jail sentence for contempt of court imposed by Federal Judge James H. Wilkerson for malingering when summoned before the federal grand jury more than a year ago. Federal prosecutors said the contempt appeal probably would be decided soon and there is a probability that Capone would be in jail before the income tax indictment is tried.

The indictment, which was handed to Judge Barnes' clerk by J. Milton Trainer, real estate man and foreman of the grand jury which had spent three months on the Capone investigation, contained five felony and two misdemeanor counts. Another indictment, returned on March 13 and suppressed, contained one felony count relating to Capone's income in 1924. The possible maximum penalty on the six felony and two misdemeanor counts is thirty-two years' imprisonment and a fine of $80 000.

Find $1,038,654 Income.

The government alleged that Capone owes taxes of $215,080 on a net income of $1,038,654 for the years 1924 to 1929, inclusive. The government does not say that this was the total of Capone's income of those six years, but it represents the amount the government expects to be able to prove that the chief gangster pocketed.

The statement was made that during those six years Capone filed no income tax return, although it was known that he received a vast income, due to his monopoly of the booze, alky, and beer business of the Chicago territory, his control of the gambling rackets and his profits from his string of brothels. Capone had boasted that he was too smart for the government, that he put no money in banks and no money could be traced to him.

Gang Power Weakening.

But, according to government officials, $1,038,654 was traced directly to Capone and therein, it is said, lies a story indicative of the disintegration of the great organization that had its connections and agencies all over the country and was part of a huge international syndicate that has enabled millions of Americans to flout the prohibition laws for twelve years.

"Capone's gang lieutenants have talked to save themselves," government agents stated. "Capone has been pushed around so much his power has waned."

United States Attorney Johnson's strategy was said to h [illegible] exhibited in proceedin [illegible]

(Continued on pa [illegible])

1931 5

TEN CENTS

DEPUTIES SEIZE CAPONE ESTATE FOR LEGAL FEES

Vincent Giblin, Gangster's Attorney, Gets Writ

BOGUS SUIT HINTED

Lawyer Claims Scarface Won't Pay $50,000 Bill

Attorney Vincent C. Giblin and his gangster client, "Scarface Al" Capone, came to the parting of the ways last night and today the palatial Palm Island home of the Chicago gunman is partially denuded of furniture that once witnessed high revel as the underworld chief and his mobsmen made merry. A writ of attachment was also placed against the house and other Capone real estate.

The stripping of the house started after Giblin filed suit alleging Capone still owed him $50,000 for legal services, representing a balance of his fee for a period from March, 1930, to the present date.

Shortly before midnight Giblin called off the moving men and deputy sheriffs who were removing the furniture, declaring that the task could not be completed before midnight, but that the work would be resumed Monday morning.

There were those who witnessed the removal of the furniture who were unkind enough to express the belief that the suit was "friendly" and brought to prevent the government from levying on the property for unpaid income taxes which Capone is alleged to owe.

The skeptics pointed out that the attachment followed on the heels of two indictments, one containing 22 counts, for alleged evasion of income tax, returned against the gang boss by a federal grand jury in Chicago Friday.

Giblin refused to make any statement to the Daily News. Reached at his office he declined to talk and delegated the task to a person who refused to give his name. The spokesman denied that any attempt would be made to adjust matters before the furniture was removed, despite the fact that phone con[illegible]ions carr[illegible] on between [illegible] Newton, ca[illegible]taker, and people in Chicago indicated that Giblin had attempted to establish telephonic communication with the gangster.

Deputy sheriffs with six moving men and three vans from the John E. Withers Transfer & Storage Co. pulled up in front of the Capone mansion shortly after 8 o'clock.

In answer to insistent buzzing of a bell on the steel protected outer gates, Frankie Newton, who always refers respectfully to the "big fellow," appeared at an opening resembling the peep hole of a speakeasy.

He saw the deputies and swung wide the gates. Frankie has held confab with the same deputies on other occasions. He thought it was just another raid and wasn't worried. He declared with just a trace of boredom in his voice that "There isn't a drop in the place" and politely, if not cordially, invited "the law" to enter.

The invitation was accepted. Once inside, the leader of the raiding party read the writ of attachment.

It didn't quite penetrate at first, but when Newton finally gathered the idea that the party intended to remove all the furniture from the house his only comment was:

"Yuh ain't gonna take my bed, too, are yuh?"

Then he bethought himself that the "big fellow" would be interested. He hurried to the phone and in guarded tones called a Chicago number.

When he got his connection he spoke hurriedly in Italian, then broke into exasperated English.

"I tell you, you got to get him. They say they're going to take everything. They'll even take my bed. All right, get him."

Newton returned to the living room and explained he was trying to get in touch with Capone and would they please wait. Giblin was called for instructions and consented to a short armistice.

The deputies waited two hours while Newton alternately called Chicago and Giblin. Each time he assured the Chicago listener that the deputies were going to move things at once. Then he busied himself assuring Giblin that "the big fellow will call you in 15 minutes."

Shortly before 10 o'clock deputies announced that "big fellow or no big fellow the stuff goes out at 10 o'clock." Newton again got busy on the phone. Chicago informed him that the haunts of the gang leader were being scoured and that he would call Giblin in not less than 15 minutes.

The allotted time dragged by, punctuated by occasional pleas from Newton that "youse guys leave my bed, will you?"

At 10 o'clock the leader of the stripping Capone party called time and the moving men swung into action. The first furniture to go was wicker stuff from a front porch. Then the party moved into action in the beautifully furnished living room.

Threats were made to rip expensive rugs from the floors. Walls were to

(CONTINUED ON PAGE SEVEN)

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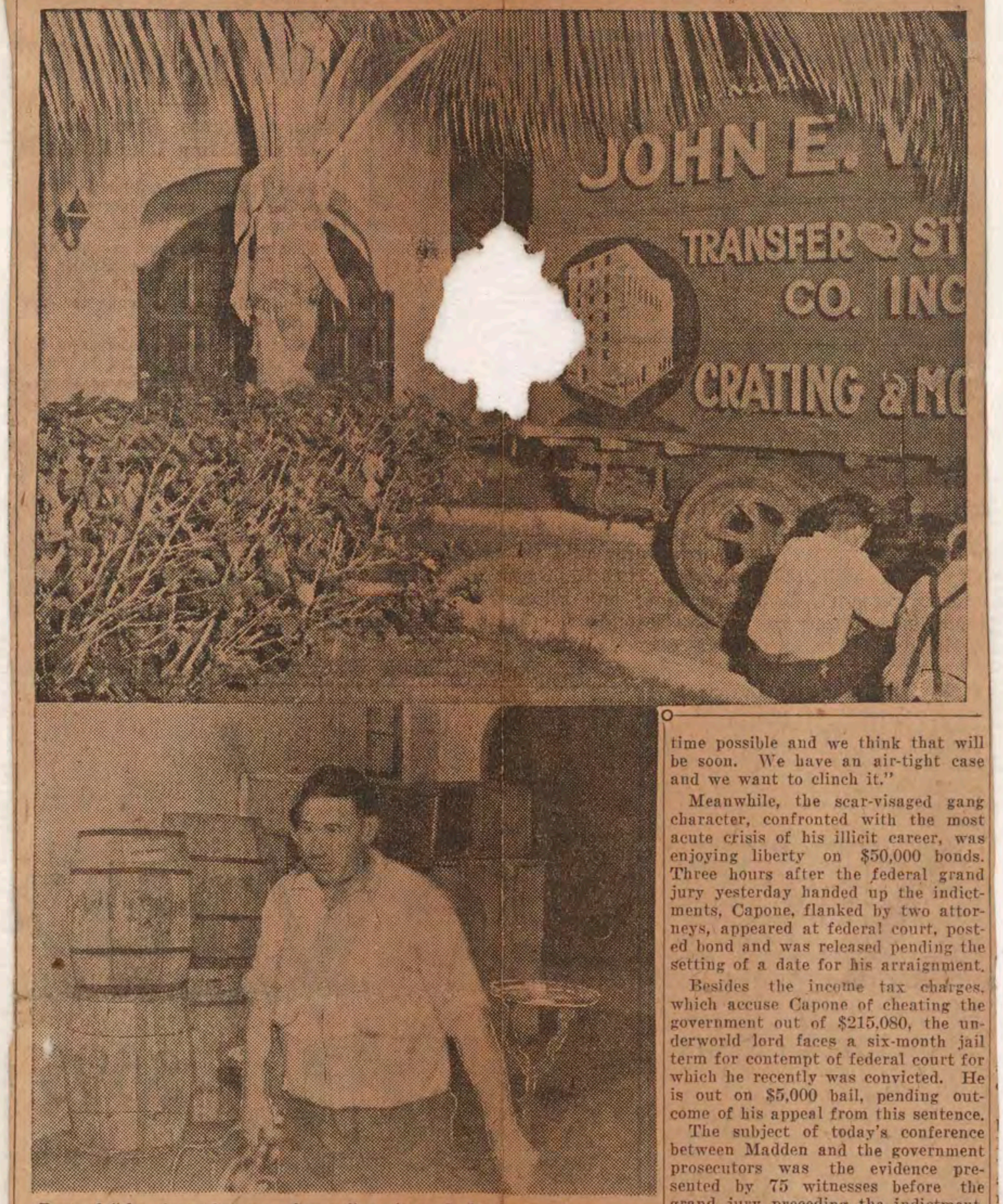
Crime

FURNITURE SEIZED IN LAWYER-GANGSTER DISPUTE



Part of "the glory that was Capone" as it made its ignominious way into dreary storage. Above is one of the three Withers' trucks that backed up to the gate to cart away furniture seized at the Capone home under a writ issued in a suit brought by his former attorney, Vincent C. Giblin. Below is shown one of the movers carrying some of the articles into the storehouse.

DEPUTIES SEIZE CAPONE ESTATE FOR LEGAL FEES

ED FROM PAGE ONE)

of tapestries that must have set Capone, back the price of many barrels of beer. A grand piano was to be taken apart and removed in sections to the wating trucks.

Everything was to go. Chairs, lamps, beds, books, kitchen utensils. By midnight the "glory that was Capone" would be concealed behind the massive walls of the Wither's storehouse.

Then came the Giblin agreement to an armistice.

The writ of attachment also called for the seizure of any automobiles that might be on the premises but the big garage was empty.

The gates of the estate swung to behind the last of the movers. Frankie took one last look through the peephole, sighed, turned away and said:

"Well, I'm glad they left my bed anyhow."

Giblin Tells News Service Of Levy Upon House, Too

(By International News Service)

Attorney Giblin told International News Service shortly after 11 p. m. yesterday that in addition to seizing the Capone home furnishings he had levied on the house and other real estate owned by the Chicago gangster.

"The suit is for an unpaid balance due me as Capone's attorney. It covers a period from March, 1930, to the present date.

"When deputy sheriffs informed me that due to the lateness of the hour they would be unable to remove all the furniture before midnight tonight, I called a halt until Monday morning."

Asked if he had made any attempt to seize money or papers that Capone might have in safety deposit boxes in Miami, Giblin said "he hasn't any down here."

Item of Drayage Also Tacked on Capone Bill

Scarface Al may be called upon to pay a neat little drayage and demurrage bill in addition to the $50,000 back attorney's fees which Vincent Giblin is asking.

Whi[illegible]blin impatiently [illegible] in his office last night, awaiting a call from his gangster client's headquarters in Chicago which was to decide whether Al's island home was to be denuded of all furniture, six men and three trucks stood idly in front of the Palm island residence, while the bill for drayage steadily mounted at the rate of $15 an hour or 25 cents a minute.

The drayage costs began at 8 p. m. when the Withers company sent the small fleet of trucks out on the errand to the Capone residence. It went on, while three deputies and a corps of newspapermen waited in Capone's home for Giblin to give the signal to start dismantling the house, and it only ended when the trucks, after taking away one van load of furniture, returned to the company headquarters to await the coming of Monday to complete the task.

U. S. Is Moving Swiftly To Try "Scarface" Capone

CHICAGO, June 6.—(INS)—The United States government moved swiftly today to bring to an early trial Alphonse (Scarface) Capone, Chicago's underworld ruler, on charges of violating the income tax law.

A. P. Madden, chief of the treasury's special intelligence unit, who directed the prolonged and elaborate investigation resulting in Capone's indictment, conferred with Assistant U. S. Attorneys Green, Clawson and Grossman, who organized and presented to the grand jury the vast body of evidence which formed the basis of the true bill.

Following the conference, it was announced the government prosecutors expect to hail Capone before a federal bar of justice within a few days.

The officials issued a statement declaring:

"We want to proceed at the earliest time possible and we think that will be soon. We have an air-tight case and we want to clinch it."

Meanwhile, the scar-visaged gang character, confronted with the most acute crisis of his illicit career, was enjoying liberty on $50,000 bonds. Three hours after the federal grand jury yesterday handed up the indictments, Capone, flanked by two attorneys, appeared at federal court, posted bond and was released pending the setting of a date for his arraignment.

Besides the income tax charges, which accuse Capone of cheating the government out of $215,080, the underworld lord faces a six-month jail term for contempt of federal court for which he recently was convicted. He is out on $5,000 bail, pending outcome of his appeal from this sentence.

The subject of today's conference between Madden and the government prosecutors was the evidence presented by 75 witnesses before the grand jury preceding the indictment. Authorities were attempting to shape up this testimony for recapitulation in a trial court and it was said most of the 75 witnesses who appeared before the grand jury will be called to testify at the forthcoming trial.

Reports that Capone's attorneys were trying to compromise with authorities with the view of having his prosecution dropped in return for payment of the back taxes and a heavy fine were denied vigorously by the prosecutors. They also denied a rumor that Capone had offered to plead guilty in consideration for a reduction of the 23 counts contained in the indictments.

Under the true bills, Capone, if convicted, would face a 32-year prison term and a fine of $80,000.

The indictments cover his failure to file returns for six years—1924 to 1929 inclusive—and declare his earnings in that period to have aggregated $1,038,654 as far as is known.

CAPONE GIVES UP ON U. S. INCOME TAX INDICTMENT

Faces Long Prison Term for $215,080 Fraud.

(Continued from first page.)

lieutenants first and leading up to Al himself. One by one he attacked and vanquished Capone's leading props.

First there was Ralph Capone, brother of Al. Ralph was sentenced to three years' imprisonment for income tax frauds, and he has an appeal pending. Frank Nitti, the financial brains of the Capone gang, pleaded guilty and he is now serving 18 months in Leavenworth prison.

Jack Guzik was found guilty of evading income taxes by a jury and his punishment was fixed at 5 years in Leavenworth. Sam Guzik, brother of Jack and an important Capone cog, pleaded guilty and he was on his way last night to serve a year and a day at Leavenworth. Louis Lipschultz, a brother-in-law of Jack Guzik, is facing prosecution.

These gangster prosecutions were aside from Mr. Johnson's other successes in obtaining pleas of guilty from Frank Lake and Terry Druggan, the beer baron twins, and his conviction of State Representative Lawrence G. O'Brien and Assessor Gene G. Oliver, and the indictment of former Building Commissioner Christian P. Paschen, all on income tax fraud charges. As they phrased it at the federal building, Prosecutor Johnson's batting average to date is 1000.

Earlier True Bill Included.

The government, in the Capone indictments, did not allege the sources of the income. The income figures in the two indictments are:

	Net. income.	Tax owed.
1924	$ 123,101.89	$ 32,489.24
1925	257,285.98	55,365.25
1926	195,676.00	39,962.75
1927	218,056.04	45,557.76
1928	140,535.93	25,887.72
1929	103,999.00	15,817.76
Total	$1,038,654.84	$215,080.48

The net income represents a deduction of $1 per year from Capone's gross income. Much of the income represented money telegraphed from Chicago to Capone at his estate, near Miami, Fla., where he has been in considerable trouble with the authorities. Other represented the known profits of Capone from Cicero gambling houses, dog tracks, and horse racing bets. As far as could be ascertained no specific portion of the income was chargeable to Capone's wholesale bootlegging activities.

Capone's actual income—the syndicate income—has been estimated at as much as several millions a year, and he was known to have dispensed it with a lavish hand, always using cash instead of checks. He was reported to have lost more than $100,000 on the last Dempsey-Tunney fight in Chicago and for three days before and

tigators were always seeking information about what went to the boss. Fred Ries, a witness in the trial of Jack Guzik, told of huge profits in a Cicero gambling house where he was employed. He said a portion went to Al Capone.

Louis La Cava, once a Cicero gambler in Capone's confidence, was brought to Chicago from Pittsburgh to give testimony regarding Al's wealth. "Two Gun" Louis Alterie, once a Capone partner, was brought here from his Colorado ranch to give evidence against Capone.

District Attorney Johnson received the coöperation of the Washington authorities in his determination to perfect his proofs against Capone. Frank Wilson, a special intelligence ace was sent here from the capital. Mr. Johnson, with his assistants, Dwight H. Green, Samuel G. Clawson, and Jacob Grossman, worked hand in hand with A. P. Madden, chief of the special intelligence unit of the department of internal revenue, and Special Agent Clarence Converse.

Investigators Join Gangs.

More than 1,000 persons were interviewed by the government agents. The investigators went everywhere Capone went and they questioned everybody Capone knew. Some of their men joined gangs and worked from the inside. Others were going from bank to bank, scanning accounts in names that might have been Capone aliases, tracing checks of saloonkeepers—always hunting evidence to be used against Capone, ruler of a lawless domain.

"They did a good ob and I am proud of them," Mr. Johnson said.

So well did the investigators perform that hundreds of Capone stills, breweries, booze warehouses, gambling houses, and brothels were raided. The prisoners were always questioned about Al's income and gradually concrete proof was massed for the final blow against the gang chief.

Syndicate Broken Up.

Yesterday it was announced at prohibition headquarters that a Capone alcohol syndicate that had an output of at least 10,000 gallons a week has been broken up and twenty prisoners are awaiting grand jury action. This syndicate had headquarters at Aurora and distributed alcohol throughout western Illinois, Iowa, Nebraska, Minnesota, and South Dakota. Chief Special Agent W. E. Bennett made the final arrests early yesterday morning.

Mike Meyers, Davis Meyers, Joseph Dolf and Joseph Rothstein were seized at Aurora. In Chicago the Cinquina brothers, Gabriel, Paul and Tony, all Caponites, were taken into custody. At Clinton, Ia., the Al Capone of that territory was captured—Mike Bloomberg. Others taken were the Price brothers, Richard, Frank and Russell of Waterloo, Ia.

How Evidence Was Obtained.

Prohibition agents say this gang has operated unmolested for four years during which they disposed of at least $30,000 worth of alcohol each week. Undercover Agent Joseph Hitzman bought alky from Mike Meyers at Aurora in quantities of 50 or 60 gallons at a time, and in that way won his confidence.

The alky gangsters boasted of having the roads "greased" from Chicago all the way west excepting through Lee county, where the former and present sheriffs refused to give them protection, according to the agents. Hitzman, who used the name of Joe Jeracec of Des Moines, Ia., said he told them he had to pay to get through Princeton, Ill., and they told him to get the name of the policeman who dared charge "road tax" and they would take care of him.

The END of Al Capone

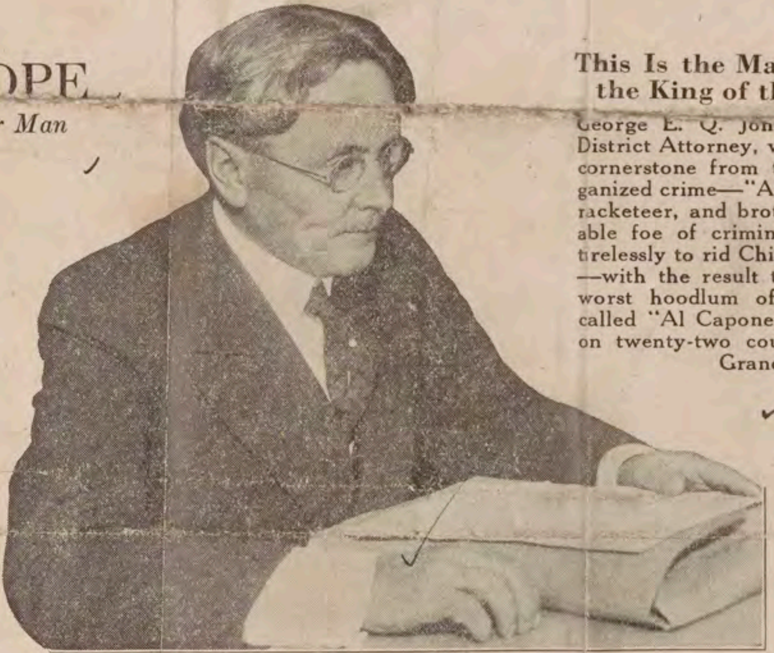
Will the "Big Fellow" take the rap and the 32 years that go with it? Or will he acknowledge he is an impostor and face the charge of accessory, before and after the fact, in the murder of the REAL Al Capone?

The Arch Gangster, Known to the World as "Al Capone," is Out! Catspaw of Torrio the Terrible, He is a Victim of His Own Scheming. The Inside Story of the Underworld's Most Gigantic Hoax is Told Exclusively in These Pages.

By

RUCE POPE

Chicago Newspaper Man



This Is the Man Who Crushed the King of the Underworld

George E. Q. Johnson, United States District Attorney, who has knocked the cornerstone from the structure of organized crime—"Al Capone," gangster, racketeer, and brothelkeeper. Implacable foe of criminals, he has worked tirelessly to rid Chicago of its hoodlums—with the result that the biggest and worst hoodlum of them all, the so-called "Al Capone," has been indicted on twenty-two counts by the Federal Grand Jury.

LINKING behind the sarcasm of paid publicity puppets, the infamous "Scarface" Capone disappeared from his usual haunts simultaneously with appearance on the newsstands of the first installment his story in the June REAL DETECTIVE.

apone hoped that publicity ridiculing the statement he was a nefarious imposter would succeed in "taking the heat off him." For the "Scarcheek" sits in a gh spot—he is "in the middle" of the crossfire be- en the justice-seeking guns of gangdom and the ice-tightening grip of the Federal Government. Each tes out an effective justice. The former is more rapid. e latter takes longer. But they are both certain.

AND THIS TIME THE GOVERNMENT HAS ON.

The so-called "Big Shot" is on his way out.

The Chicago Al Capone has been indicted on twenty-o counts by the Federal Grand Jury for income tax auds. He has been sentenced to six months in jail on Federal contempt charge.

His Florida mansion has been seized on a writ of at-achment and deputy sheriffs have removed valuable urnishings and automobiles. All of his millions in prop-erty will be sold at public government auction.

For three years United States District Attorney George E. Q. Johnson has been working in a systematic, unhurried but unwavering campaign toward this end.

There has been no beating of drums, no fanfare of trumpets, no publicity-seeking statements by Federal Attorney Johnson who three years ago resolved to rid Chicago of criminal parasites. Others in Chicago, presumably prompted by the same desire, have heralded their contemplated action from the housetops—and failed.

Persistently, unflinchingly, Mr. Johnson developed his organized attack on the crime structure of Chicago. And he has shaken it to its very foundations. The cornerstone, Capone, has fallen from its criminal niche. Other stones have tumbled, first came Ralph Capone. He was indicted, tried, convicted and sentenced to three years in the Federal penitentiary. Then followed in rapid succession Frank Nitti, so-called treasurer of the Capone mob; Jake Cusik, the business brains, his brother Sam, then Al, the big shot himself, was convicted for contempt. Now he awaits trial on charges similar to those on which his brother and the others were found guilty. And Al has little hope of beating an income tax prosecution.

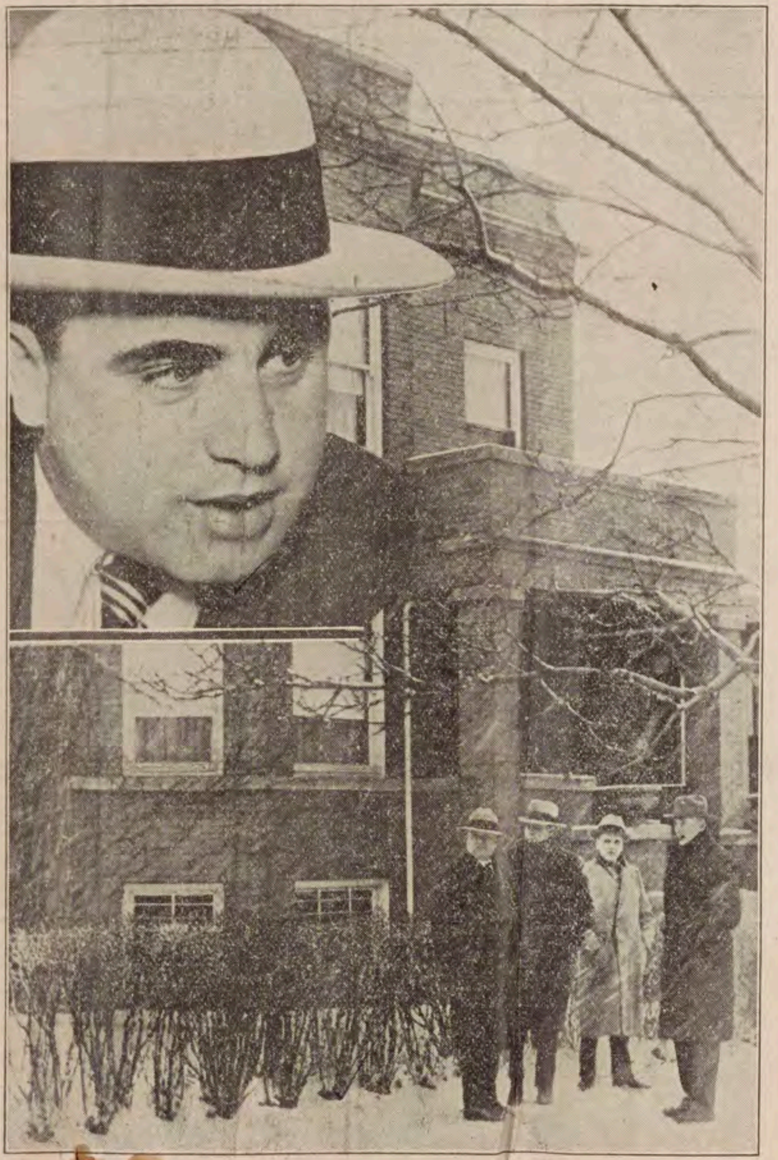
Two months ago, in the beginning of this story, it was stated that Johnny Torrio was the actual head of the so-called Capone mob. Municipal authorities in Chicago and New York denied that Torrio ever returned to this country from Italy.

Yet on Friday, June 5, the Chicago Daily Times reported: "It was considered significant that Louis La Cava, once 'secretary' of Johnny Torrio, has been brought back to Chicago from New York to be a grand jury witness against Capone. La Cava has been in the city for several days.

"La Cava is known to be an intimate still of Torrio, who fled Chicago about six years ago, after George ('Bugs') Moran, gangster, wounded him and made the city too hot for him. Torrio, for the last six months, however, has been making airplane trips from New York to Chicago, which he has endeavored to keep secret. He is now in the Bahamas and, it is said, will be back here next week.

"Capone followers interpreted this as meaning that Torrio thinks the 'Big Fellow' will go to Leavenworth for five years."

For Torrio to return as the acknowledged head is impossible. They do not trust him. Too many living gangsters hate Torrio. He needs the glamour of an "Al Capone" to hold gangdom in line.



The "Big Fellow" and his Chicago home at 7244 Prairie Avenue. The group of men shivering in the snow are city detectives waiting for him to show up. But Al failed to "show."

That was one of the reasons the Brooklyn Al Capone was put on the spot and Giacomo Calabrese, his half-brother with the synthetic scar, substituted by the wily Torrio, to be known to gangdom as the Chicago Al Capone.

Investigation of this story by the United States government has revealed it substantially true in substance. There is room to believe, however, that the man who related the weird an fascinating tale o how this substitutio occurred may hav been in error as t several details o more or less mino character.

As you no doubt recall, there were some parts which I stated at the outset I had been able to substantiate and others that because of their nature, could not be proved. So much of the story as is not backed up by evidence I have merely passed on to you as I heard it. Where there is evidence I have given it.

When I say Federal investigators have substantiated the Capone Hoax in substance, yet found it varies somewhat in details, I mean they have satisfied themselves that the statement "The Real Al Capone Is Dead" is true, that the man who now poses as "Mr. Scarcheek" is not the vile-mouthed vice monger who fled from Brooklyn in abject terror when his fat face was slashed by a man half his size, that he is not the man who became killer, pimp and procurer for Big Jim Colosimo and "Terrible John" Torrio.

But, circumstances indicate to them that Capone was not murdered in May, 1929, as stated by my informant but a short while before. It is possible that my informant, who was not present at the actual killing, was misinformed in this respect.

The first two installments of this story appeared in the June and July issues of REAL DETECTIVE.

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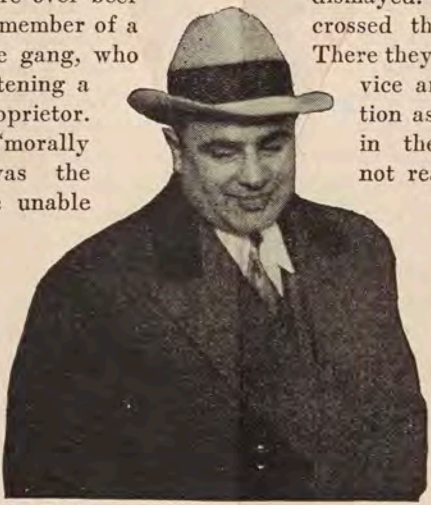
it with a lavish hand, always using cash instead of checks. He was reported to have lost more than $100,000 on the last Dempsey-Tunney fight in Chicago and for three days before and only a trickle—that greedy subordinates here and there broke away and started running in beer of their own, without accounting to the head office.



Keystone

The first of more than 250 men killed in seven years' warfare over beer was Jerry O'Connor, member of a secessionist south side gang, who was shot while threatening a Torrio speakeasy proprietor. Police said they were "morally certain" Capone was the killer, but they were unable to prove it. Shortly two other beer runners, who had hinted they knew about the O'Connor murder, were killed. Except that they were the first instances of bloodshed in a new and spectacularly wealthy era of organized outlawry, these murders had lasting importance only as indicating the progress of Capone. Throughout the beer wars murders have been of one grade or another according to their effect on gang alignments and affairs of local government. Most of them have been snipings in petty vengeance, routine matters in a big scale operation based on law violation and conducted with such distrust that "no checks" is the watchword.

Every now and then, however, there has been a major disturbance such as the killings of O'Banion, with its far-reaching reprisals, and Assistant State's Attorney William H. McSwiggin, followed by prolonged, futile grand jury investigations; the St. Valentine's massacre of seven men; the murder of Alfred J. Lingle, *Chicago Tribune* reporter, which brought a new police administration and vigilante organizations of business men.

In those first two or three years with Torrio, Capone got the reputation of a killer, which later was to be replaced with the popular notion that he executed only by proxy, naming his man and sending paid murder specialists to do the deed. Certainly he advanced from one stage to the other to a noticeable extent when he and Torrio moved their headquarters into Cicero, a separate municipality which geographically is part of the west side of Chicago. That was when Cicero, a law-abiding town on the whole but with an unscrupulous gang in control of government, began to get its evil reputation.

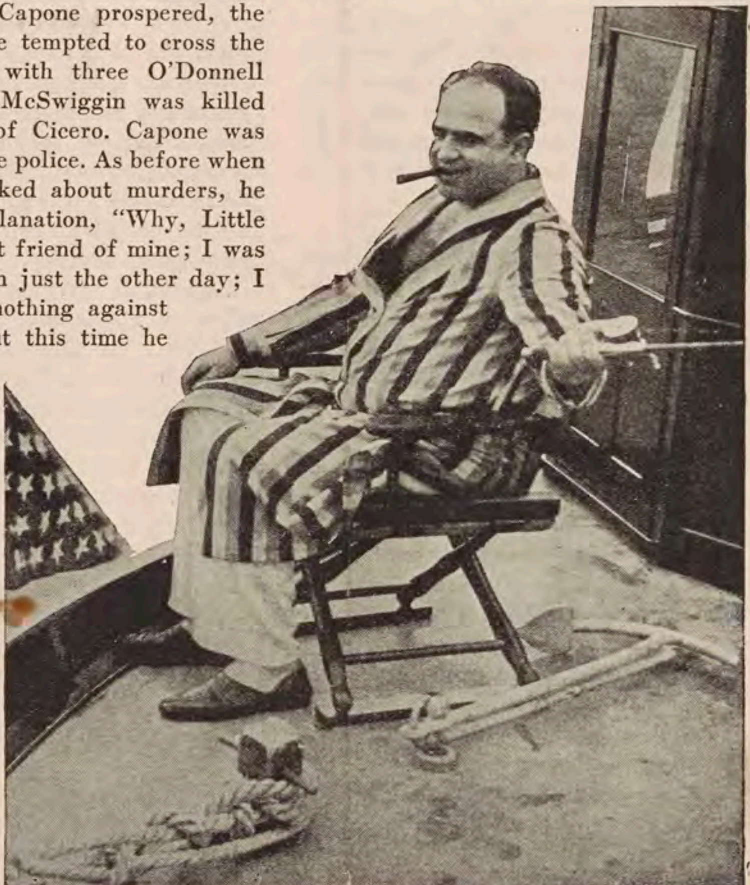
William E. Dever had just been elected mayor of Chicago, succeeding William Hale Thompson, and law enforcement had been proclaimed. "The heat was on." Torrio, however, was not dismayed. He took Capone and crossed the street into Cicero. There they found a field for beer, vice and gambling exploitation as rich as they had had in the city. Reform had not reached Cicero or Cook County offices. Besides Cicero, the gangsters colonized several neighboring suburbs—they took over one hamlet so completely it was known informally as "Caponeville"—and before long roistering custom came their way from every point of the compass.

Not all the Chicago organization was taken into Cicero. O'Banion's "North Side Mob" and some other district bands that had shown insurgent urge were left to dodge the Dever police as best they could. One of these was the "West Side" O'Donnells. They had a beer territory just inside the city from Cicero, and as Torrio and Capone prospered, the O'Donnells were tempted to cross the street. It was with three O'Donnell gangsters that McSwiggin was killed on the border of Cicero. Capone was questioned by the police. As before when he had been asked about murders, he had a glib explanation, "Why, Little Mac was a great friend of mine; I was talking with him just the other day; I wouldn't have nothing against Little Mac," but this time he felt justified also in berating the police, "They're just trying to make a rep for themselves, picking me up all the time; why don't they go out and catch some crooks?"

McSwiggin's murder never has been explained. It seemed obvious that the hoodlums with him were killed because of poaching on Capone preserves. Perhaps it was only chance that the young prosecutor was with them for an evening's beer drinking when the machine gunners caught them. Perhaps McSwiggin had some secret gang partnership. One special grand jury after another sat on the case, but the inquiry wandered off into bypaths of crime in general and finally expired.

In the killing of O'Banion, which preceded the McSwiggin murder, the motive was plain. He had threatened to run Capone out of Cicero and, with a numerous, nervy following, had become a real menace. Although police were unable to catch the killers, gangster gossip named them. They were Frankie Uale, a ruthless, swift-striking gunman from New York, and John Scalice and Albert Anselni, the terrors of the Torrio-Capone killer band. All three are dead now.

Scarcely had O'Banion been buried in his costly coffin when an attempt was made to kill Capone. Gunmen in a closed car overtook his limousine early one morning, crowded it to the curb and raked it with bullets from windshield to spare tire. It was Capone luck that he was not in it. His chauffeur was using



Keystone

it to take home two waiters who had served at a party in his south side home, where he lived with his wife and little boy, his mother, sister and a younger brother. The driver was seriously wounded; the waiters, who had heard angry gunfire before, saved themselves by a quick flop to the floor. It was the first time Capone had been hunted. He promptly got a new car with bullet-proof body and then called "Bugs" Moran, Weiss, Drucci and other "north siders" to a downtown hotel and, so he recounted later, told them to stop shooting.

"These fellows had forgotten who gave them their chance and put them in the business," he said. "They began thinking they were bigger than we were. O'Banion had been killed and they began acting nasty. Finally we had to talk to them. On a Monday night we had a meeting and told them to stay in their own yard and behave themselves or we'd have to scold them. They told us they'd quit what they were doing. On Saturday afternoon they shot Torrio in his car beside his wife."

Torrio, severely wounded by shotgun slugs, was utterly terrified. When he got out of hospital he surrendered to the federal government on an old prohibition conviction and went to jail for safety's sake. But first he took Capone to the city and county offices where he had arrangements and introduced him.

"Capone is my man," he said. "Do for him what you have been doing for me, and what I have been doing for you he will do."

WHEN Torrio got out of jail he took his family and went to Europe. He was reported to have had at least a million dollars in currency and good securities in his suitcase. Torrio's retirement was the same "break" for Capone that Colosimo's death was for Torrio. Capone was ready for the rôle of "The Big Fellow." He had been developing his own interests shrewdly while supposed to be devoting his energies to Torrio. Even before Torrio retreated Capone had more power among their followers. For one thing Torrio was tight-fisted while Capone was liberal, always ready to help a needy hoodlum, to toss away "ten grand" in a friendly gangster's gambling house or to bet as much on a marathon dance team for the amusement of his henchmen. If Torrio had not withdrawn, it is a question whether he could have held his own for long against his oncoming protégé. One of Capone's first moves after inheriting the throne was to call the hostiles to another parley, which also he has told of in his occasional oral memoirs.

"I talked to 'Hymie' Weiss and the others, saying, 'What do you want to do—die before you're thirty? I don't.' I told them I had a son I loved dearly. I tried to make them think of their mothers and sisters. I tried to make them put up their guns and treat their business like any other man treats his, as something to work at and then forget when he goes home at night. We started over. We kept our bargain, but they broke theirs."

Whoever broke the bargain, one of the first signs of ruptured peace was a bold attempt to kill Weiss and Drucci in Michigan Boulevard one day just before noon. Two weeks later machine gunners in a dozen curtained automobiles rolled past Capone headquarters in Cicero and sprayed the block. A woman shopper was hit in the eye and her little boy wounded in the scalp, thirty-five automobiles parked at the curb were ripped and dented and store windows scattered in fragments. Capone was safe in a rear chamber. Again "The Big Fellow" declared an armistice and called his north side enemies to meet him downtown. But this time there was no peace. The Morans demanded the heads of the two who had shot at Weiss and Drucci and named them as Scalice and Anselni. Capone, for once sticking with his friends, refused. Not long afterward "Little Hymie" was killed as he rode in an automobile with two fellow hoodlums and a gang attorney.

Capone, of course, was named by the police as responsible for at least the staff work in that murder, but, said Chief Morgan A. Collins, "He'll have an alibi and there's no use bringing him in until we have direct evidence," and that stage never was reached. The excitement waned, there was a period of peace in gangland and then, the following spring, 1927, Thompson came back as mayor of Chicago, elected on promises not only to bar British influences from the city, but also to make it a haven of personal liberty in a broad-minded way. Capone, again the child of opportunity, returned from Cicero with great plans.

HIS program contemplated complete and detailed organization of liquor, gambling and vice privileges in the city, with all the hostile gangsters brought in on a cooperative basis. A powerful ally was Tony Lombardo, who had succeeded Mike Merlo as head of the *Unione Siciliana* following the murders of two competitors for the post. Lombardo had the power to dispose of great quantities of corn sugar and wine grapes through his fraternity, a commerce of illicit cast that meant millions in revenue if properly controlled. Lombardo needed a lieutenant and he took in Joseph Aiello, former partner in an olive oil and cheese business. Aiello brought along his four brothers. The followers of O'Banion and Weiss, now led by "Bugs" Moran and joined by the wily Jack Zuta, were invited to forget and forgive and join the prosperity parade.

The former "watch boy" was on the heights. He was twenty-seven years old and a thorough success, according to his lights. Far away was the "Boxcar Tony" of the big yellow shoes. He had learned good taste of expensive tailors, which was a sign of a fast developing ambition to reach above the gangster level. He went in for gentlemen's sports, north woods shooting, golf and that sort of thing. But most noteworthy, he put himself through a mental process that gave him the viewpoint of a misunderstood public benefactor. He expressed himself in a newspaper interview given early in December, 1927.

"I've spent the best years of my life, giving people the light pleasures, helping them have a good time," he said. "And all I get is abuse—the existence of a hunted man. Well, tell the folks I'm going away now. I guess there won't be any more murders. There won't be any more booze. You won't be able to find a crap game, let alone roulette or faro. I guess they won't need those 3,000 extra cops after all. Public service is my motto. Ninety-nine per cent of the people in Chicago drink. I've tried to serve them decent liquor and square games. But it's no use. I'm going."

He said he was going to Florida, but a week later he popped up in Los Angeles with his wife and two bodyguards, all turned out like wealthy tourists. They were just settling down in an exclusive hotel when the police learned who they were and ordered them out of town. Capone said a word about it as they boarded an extra fare train for Chicago, "I had paid my bills and acted like a gentleman."

Although he failed as a gentleman in California, he tried it again in Florida, with more determination. He bought an expensive home, with spacious grounds,

(Please Turn to Page 595)

CHICAGO ILL POST
SATURDAY, JUN

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OKLAHOMA CIT
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Gangster Surrenders and Posts Bail on Charge of Evading Payment of $215,080.

FACES FIVE-YEAR TERM

Chicago Aides Are Said to Have Revealed His 1925-29 Revenue Was $1,038,654.

Special to The New York Times.

CHICAGO, June 5.—"Scarface" Alphonse Capone, number one among Chicago's "public enemies" and reputedly the wealthiest of gangland leaders, surrendered to the government this afternoon and was released on $50,000 bail following an indictment by a Federal grand jury on charges of wilful evasion of income taxes amounting to $215,080.48.

George E. Q. Johnson, United States Attorney, whose assassination Capone was said to have plotted in an effort to forestall the indictment, stated this evening that he was ready for the court battle to send Capone to Leavenworth penitentiary. Mr. Johnson has not yet failed on a gangster income case.

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Say Aides Revealed Facts.

The indictment contains twenty-one counts, and is the culmination of two years' investigation. A felony count is punishable by a five-year penitentiary sentence and a $10,000 fine.

There was no contention that the $215,080.48 represented all that Capone might owe the government if he paid an honest income tax. Rather, the government alleged that this amount is due on a net income of $1,038,654.84 for the years 1925 to 1929, inclusive. Neither was it contended that this was all the Capone income of those five years, but it represents what the prosecutors expect to be able to prove actually reached his pockets.

Capone has boasted that he was too smart for the government, that he put no money in banks and no money could be traced to him.

But, according to government officials, the $1,038,654 was traced directly to him, and therein lies a story suggesting that his organization is disintegrating.

"His gang members have talked to save themselves," government agents said. "So much 'heat' was put on Capone that he is no longer feared and his influence has waned."

One by one Mr. Johnson, prosecutor, has attacked and vanquished Capone's leading aides.

First, there was Ralph Capone, brother of Al., who was sentenced to three years' imprisonment for income tax frauds. Then Frank Nitti, Jack Guzik and Sam Guzik were sent to prison on similar charges.

These prosecutions were aside from Mr. Johnson's other successes in obtaining pleas of guilty from Frank Lake and Terry Druggan, erstwhile beer partners, and his conviction of Lawrence C. O'Brien, State Representative, and Assessor Gene C. Oliver, and the indictment of Christian P. Paschon, former Building Commissioner, on income tax charges.

Income Sources Not Revealed.

The government, in the Capone indictment, did not allege the sources of the income, but gave the figures as follows:

Year.	Net income.	Tax owed.
1924	$123,101	$32,489
1925	257,285	55,365
1926	195,676	39,962
1927	218,056	45,557
1928	140,535	25,807
1929	103,999	15,817

It was announced at prohibition headquarters today that a Capone alcohol syndicate with an output of at least 10,000 gallons a week had been broken up and twenty prisoners are awaiting the grand jury action and trials. This syndicate had headquarters at Aurora, Ill.

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OKLAHOMA CITY OKLA. NEWS
JUNE 6, 1931 J19

PRISON NEAR FOR AL CAPONE

Forecast Early Trial for Gang Leader in U. S. Tax Cases

By United Press

CHICAGO, June 6.—The indictment and surrender of "Scarface" Al Capone on charges of evading income tax payments was hailed today as marking the downfall of the most powerful and elusive gang chieftain in local or American history.

Federal, state and city officials, as well as all newspapers, agreed Capone's chances of escaping conviction and imprisonment were slight.

Such predictions were based upon the record of United States District Attorney George E. O. Johnson, who brought about Capone's indictment after three years of work during which many lesser gangsters were captured and many stills destroyed.

Ninth Gangster Indicted

Capone, the chief of all gang

038,654.84 during the years 1924 to 1929, inclusive.

No pretense was made that this was Capone's total income for those years. It represented instead the amounts which Johnson and his staff said they knew they could prove he had earned. The gangster never has paid any income tax. Locating his wealth was a work of years, officials said, because he dealt always in cash and kept no bank accounts.

The voluminous indictments did not specify that any of the income designated had been derived from the extensive liquor or vice syndicates Capone is said to have controlled and from which it was said he made millions annually.

It revealed after Capone's surrender that much of the income specified represented money sent to him from Chicago when he was living at his estate in Florida.

Other evidence was gathered, Johnson said, by questioning of other gangsters who "squealed" on their "big boss" in order to save themselves. Some of these gangsters were members of Capone's "inner circle," the "cabinet" of lieutenants who were said to have ruled the gang world.

Documents Seized

During the three years that Capone's income was under investigation, scores of stills, roadhouses and vice resorts were raided. Every person arrested was questioned regarding money paid to Capone from these "enterprises."

Bit by bit, working day and night, sometimes with half a dozen men, sometimes with 50, Johnson gathered his evidence. Never, he said, did he

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NEW ORLEANS LA. TRIBUNE
JUNE 6, 1931 J16

INDICT CAPONE ON EFFORTS OF 100 AGENTS

Years Of Sleuthing Lead To Charge Of Tax Dodging

GANGSTER FREE ON $50,000 BOND

Federal Spies Posed As Gunmen To Learn His Secrets

CHICAGO, June 5.—(UP)—Al Capone surrendered today to face Federal income tax fraud charges. A few hours after a Federal grand jury had indicted him, the multi-millionaire gangster and bootlegger appeared at the office of the Federal court to arrange $50,000 bond, pending trial.

The pudgy Capone, with the livid scar on his left cheek, is accused of making no income tax returns from 1924 to 1929, the years during which his syndicate brought him untold riches.

While Capone thus was directing his extra-legal operations from a heavily guarded Florida castle, from a Chicago hotel room lined with bullet-proof steel plate and from a vertitable arsenal in suburban Cicero, an army of Federal agents checked his fabulously profitable operations.

100 Agents Work Years

They found evidence which led to the 22 counts in the indictment, charging him with an income of $900,000 during the six-year period. They explained that although his income perhaps was ten times that amount, he had so disguised his holdings of breweries, distilleries, real estate, stocks and bonds, that it was possible for them to uncover only a small portion of his wealth.

More than 100 Federal agents, tax experts, financial men, accountants and detectives delved into the case for more than two years, interviewed some 1000 persons and questioned scores of witnesses.

They worked under direction of District Attorney ~~George E. Q.~~ Johnson, mild mannered little man. ~~After Johnson had seen~~ Capone walk time and time again from police stations a free man, Johnson vowed to wreck the Capone empire through income tax prosecution.

The "big shots" one by one were trundled off to prison through Johnson's efforts. Scarface's young brother, Ralph "Bottles" Capone, so known because of his champagne night clubs, was sentenced to three years. Al's cousin, Frank Nitti, was sentenced to 18 months.

Jack Guzick, whose be-diamoned fingers and checkered vest heralded his comings and goings through Loop speakeasies as Capone's collector, got five years. His brother Sam, adept alike with machine gun and club, received one year.

Louis Lipscheuts, Frankie Lake and Terry Druggan also were indicted.

But to obtain evidence against Al was the primary job of the army of Federal men who worked under A. P. Madden and E. L. Irey of the special intelligence unit of the Internal Revenue department.

"Our men did a great job," said Madden. "The Capone gang was the worst criminal outfit that ever existed, with Scarface Al the head of the inner circle."

Some of the detectives posed as Eastern gunmen looking for jobs. They attended gangsters' banquets. Others traced the Capone tentacles to New York, to Washington, to California, Florida, Michigan and Pennsylvania.

Who Is Mr. James?

The agents learned that Capone rarely signed his name. They unearthed a series of strange bank accounts in Cicero, all signed with the first name "James." Bank officials professed ignorance of them, although in some cases they had

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At 2 o'clock the indictments were returned and three hours later, Al in company with lawyers and bondsmen surrendered and was released.

Grand jury proofs indicated that Al had a net income of $1,038,654 from 1924 to 1929 inclusive, but this was not regarded as being the sum of the millions he is popularly supposed to have made from his various rackets, beer the chief one.

Capone is at present under $5,000 bail to the federal court on a charge of contempt of court which may bring him a six-months' sentence before the present case comes to trial.

"There's nothing to it," was Al's comment on reports that he would plead guilty in the hopes of getting a light sentence.

United States attorneys under George E. Q. Johnson, who has been extraordinarily successful in prosecuting gangsters through their illegal profits, said the case against Capone was "airtight."

The amounts listed in the indictment, a document 64 pages long, have been definitely checked and traced, although other huge sums may have been hidden away.

Meanwhile, Sam Guzik, Capone lieutenant, started for Leavenworth to begin a year and a day sentence for income tax violation also. Ralph Capone, Al's brother, has an appeal pending from a similar conviction.

INDICT CAPONE AS TAX DODGER

(CONTINUED FROM PAGE ONE)

honored overdrafts of thousands of dollars a month. But the "James accounts" contained hundreds of checks signed by saloonkeepers.

So into the speakeasies went the detectives. What were the checks for?

"For chickens," repied the saloonkeepers, "for chickens to serve our customers." One saloon owner, incidentally, had purchased enough "chickens" to feed most of Chicago.

Then agents found the man who had taken the checks for "chickens." That led to the cabarets of "Bottles" Capone.

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ST. LOUIS MO. TIMES
JUNE 6, 1931 J16

GANGSTER OUT ON $50,000 BOND PENDING TRIAL

Public Enemy No. 1 Denies He Will Plead Guilty.

$80,000 FINE LOOMS

Alleged to Owe Government Total of $215,000.

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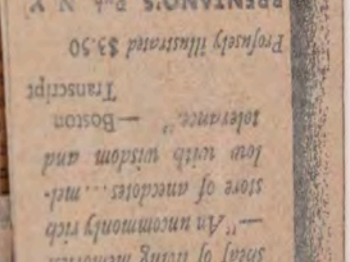
Capone went directly to the office of H. C. W. Laubenheimer, United States Marshal, accompanied by his attorney, Captain William F. Waugh. Deputy Marshal Joseph O'Neill served the gang chief with a bench warrant issued by Federal Judge John P. Barnes, and after the bond had been signed, the gangster departed to await his arraignment, the date for which will be set later. As it is expected that Capone's appeal from a six-month's sentence for contempt of court, imposed by Federal Judge James H. Wilkerson, will be decided this month, prosecutors said he may be a prisoner in the Cook County jail when he is tried on this



CHICAGO ILL POST
SATURDAY, JUNE 6, 1931.

ARRAIGNMENT OF CAPONE NEAR IN INCOME TAX CASE

Gangster, However, May Go to Prison in Another Matter.

The government today was preparing for Al Capone's grand court finale—his arraignment on charges of evading the income tax law, which has sent some of his trusty lieutenants over the hill to the federal penitentiary.

The notorious gang leader, indicted early yesterday afternoon on charges of neglecting to turn over to the government the later's share of $215,080 of his $1,038,654 income for the years 1924 to 1929, inclusive, surrendered and was freed on $50,000 bonds pending his arraignment.

It was indicated today, however, that "Scarface" may be sitting in a federal penitentiary long before the income tax indictment is charged.

Faces Another Sentence.

There is still that little matter of a six months sentence for contempt of court, imposed by Federal Judge James H. Wilkerson, because of Capone's reluctance to leave his palatial Florida estate to come to Chicago and submit to questioning more than a year ago.

Federal prosecutors declared the contempt appeal probably would be decided soon and, they believed, not in Capone's favor—and they said a strong probability that the "big shot" would soon be face to face with a federal prison.

As soon as he learned of the indictment yesterday, Capone and his attorneys, Capt. William F. Waugh and John J. Goshkin, appeared at the office of United States Marshal H. C. W. Laubenheimer.

Preceded by Bond

A surety bond for $50,000 had preceded him, and after Federal Judge John P. Barnes, who issued a warrant for Capone's arrest, had signed the bond the gang leader was freed.

United States Attorney George E. Q. Johnson, whose efforts in uncovering "hidden assets" of so many Chicago gangsters has resulted in their subsequent sojourn in prison, was today preparing for the supreme test against Capone, the most powerful of all.

More than 1,000 persons, including influential members of Capone's own gang, saloon owners, beer truck drivers and any others connected with the booze industry, have been interviewed by federal men, in closing the income tax net about Capone.

Guzik to Prison

The doors of the federal penitentiary at Leavenworth, Kan., swung today to receive Sam Guzik, Chicago gangster and lieutenant of "Scarface Al" Capone. Guzik was sentenced to a year and a day in prison on charges of evading the United States income tax law. He left Chicago yesterday in the custody of two marshals, a few hours after he learned his chief, Capone, had been indicted on the same charge.

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JUNE 6, 1931

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CAPONE IS INDICTED IN INCOME TAX CASE

Gangster Surrenders and Posts Bail on Charge of Evading Payment of $215,080.

FACES FIVE-YEAR TERM

Chicago Aides Are Said to Have Revealed His 1925-29 Revenue Was $1,038,654.

Special to The New York Times.

CHICAGO, June 5.—"Scarface" Alphonse Capone, number one among Chicago's "public enemies" and reputedly the wealthiest of gangland leaders, surrendered to the government this afternoon and was released on $50,000 bail following an indictment by a Federal grand jury on charges of wilful evasion of income taxes amounting to $215,080.48.

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Comrades and Contacts of the last half century
by James Howard Bridge
All kinds of great men are gathered into this sheaf of living memories.
—"An uncommonly rich store of anecdotes ... mellow with wisdom and tolerance." —Boston Transcript
Profusely illustrated $3.50
BRENTANO'S, Pub., N. Y.

Kansas City, Mo. Times
JUNE 6, 1931 JS

CAPONE IS SLIPPING

Once Great Organization of the Chicago Gang Chief Is Slowly Disintegrating.

GET HIS AIDS, THEN HIM

Federal Authorities Have Chopped Away at Scarface's Ring From the Bottom.

SET TRAP TWO YEARS AGO

One Hundred U. S. Agents Gradually Have Enmeshed His Lieutenants, Cut His Revenue.

(By The Star's Leased Wire Service.)

CHICAGO, June 5.—With the indictment today of Scarface Al Capone there was disclosed evidence indicating the great organization of the Chicago gang chieftain is disintegrating.

Shortly after Capone was indicted for the willful evasion of income taxes amounting to $215,080.48, the gang leader surrendered to H. C. W. Laubenheimer, United States marshal, and was released on bond of $50,000. His arrival was unexpected but attracted a crowd of curious.

The indictment contains twenty-two counts. It is the culmination of two years of investigation of "the big fellow" by George E. Q. Johnson, United States attorney. The felony count is punishable by a 5-year penitentiary sentence and a $10,000 fine.

See Disintegration.

The $1,038,654 was traced directly to him and therein lies a story indicative of the disintegration of the great Capone organization that has its connections and agencies all over the country and has been part of a huge international syndicate that has enabled millions of Americans to flout the prohibition laws for twelve years.

"His gang members have talked to save themselves," government agents stated.

Attorney General Johnson's strategy has been exhibited in proceedings against Capone's lieutenants first and leading up to Al himself. One by one he attacked and vanquished Capone's leading props.

Used 100 U. S. Agents.

More than 1,000 persons were interviewed by the government agents. A hundred government men worked two years on the case. They went everywhere Capone went and they questioned everybody Capone knew. Some of their men joined gangs and worked from the inside. They dared death every day, knowing Capone's record as a killer who never brooked opposition or competition.

"They did a good job and I am proud of them," Mr. Johnson said.

So well did the investigators perform that hundreds of Capone stills, breweries, booze warehouses, gambling houses and brothels were raided, the goods confiscated and destroyed. The prisoners were always questioned about Al. Capone's income was in this fashion reduced by millions while slowly but surely the government was making ready to strike the blow that would mean jail and oblivion for Scarface the Great.

Searched in Cicero.

The agents went to Cicero, suburban stronghold of the hoodlum syndicate, to see what they could learn. They heard much gossip, but little that could be regarded as evidence. They checked the records of a Cicero bank. There they ran across a strange circumstance, a series of accounts in which the first name was always James—James Carter, James Costello and so on.

An account in the James series would run a month or two, then would be closed out, and, strange circumstance, a new James account would open with the balance of the old James account.

The bank officials were asked about these accounts. They professed ignorance, although District Attorney Johnson dryly observed they honored overdrafts of $4,000 to $6,000 a month.

The records of the James accounts had been done away, so federal men were forced to weary hours of examination of clearing house records. Into the James accounts they found the deposit of check after check made out by Cicero saloonkeepers.

The Money for "Chicken."

They went to the saloonkeepers. What were the checks for? "Chicken, we bought chickens to serve our customers," gravely replied the saloonkeepers.

"One saloonkeeper," observed District Attorney Johnson, "had given checks for enough 'chicken' to feed all Chicago."

The hunt continued. A description of a little man who took the checks for the "chicken" was obtained. Through police bureau of identification records, they found a photograph of "the little man." It was identified by bank employees and saloonkeepers. Through him the bank accounts were linked to Ralph Capone, and the first step of the investigation was over, and several clues developed, for checks had cleared through the account that gave the federal men a number of other leads.

Jake Guzik's operations appeared in the account, and Sam Guzik's and Louie Lipschultz's and, most important, "Scarface" Al Capone's.

These incomes were investigated and further trails to the Al Capone income were indicated.

Telegraphed Large Sums.

The agents learned that Capone had shared in the income of Cicero and Chicago gambling houses, of dog tracks at Cicero and elsewhere. They learned that when Capone was out of the city either Jake or his bus boy, Bobby Barton, was accustomed to elegraphing the gang chief large

(Continued on Second Page.)

1931 52

CAPONE IS SLIPPING

(Continued from First Page.)

sums of money. They ran across a brokerage account.

The investigation of this brokerage account shows how painstakingly the agents operated. As collateral in the margin account, some Liberty bonds had been put up. Only the serial numbers of the bonds were shown.

Internal revenue agents went to Washington to start the trail of the Liberty bonds. The trail led to the Federal Reserve Bank of Chicago, thence through a half dozen more Chicago banks and through other hands and were finally linked to the government investigation.

Went Everywhere.

Agents were sent into the Michigan oil field about Muskegon on a tip that Capone had interests there. They went to California on the report that he owned ranch property in that state. They went to Pennsylvania, to Philadelphia, where Capone had spent something less than a year in jail for gun toting; to Villa Nova, where Capone's younger brother, Mathew, had gone to school.

The federal men went to Florida, where Capone maintained a winter home, and where many of the telegraph remittances from Guzik and other lieutenants had reached him.

They learned that Capone was accustomed to paying for everything in currency—using currency for even a transaction such as the purchase of a $175,000 estate or a $40,000 yacht. They learned he loved to gamble—that he could toss away thousands of dollars at a gambling table or a race-track and finally, they learned enough about Capone's income to ask and obtain an indictment.

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ers for the next school year.

There is no danger of any reduction in salaries, according to George Melcher, superintendent of schools, but the school board does not know whether it will be able to afford the annual automatic increase to teachers.

Teachers in Kansas City schools all start at a salary lower than the maximum of the set scale determined by the school board. Increases are made annually until a teacher has reached his maximum, according to his individual scale.

Contracts with the teachers for next year have not been sent out yet. Normally they are sent

SAN DIEGO, CAL., UNION
JUNE 7, 1931

G. E. Q. JOHNSON MOST HATED OF GANGLAND FOES

U. S. District Attorney Sends Illinois Hoodlums to Jail; Capone Not Immune.

By E. M. CIPRIANI
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CHICAGO ILL. HER & EXAM
JUNE 7, 1931.

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SYRACUSE N Y STANDARD
SUNDAY, JUNE 7, 1931.

ATTACH CAPONE FLORIDA PLACE

Officers Move Furnishings as Lawyer Sues

MIAMI, Fla., June 6. (AP)—Sheriff's deputies tonight attached Al Capone's Palm Island residence and removed a part of its furnishings following the filing of a suit against him by Vincent C. Giblin, Miami attorney. The suit, filed in circuit court, seeks $50,000 which it alleged is the balance due Giblin as attorney fees.

Giblin said tonight he had made repeated requests to Capone to pay the balance. His last letter, he said, written May 8, was unanswered. The attorney did not say what fees had been paid by Capone.

Giblin and his aassociate, J. Fritz Gordon, represented Capone in several court actions here.

After a portion of the furnishings had been taken to a warehouse, further operations were ordered stopped at 10.30 p. m., when Giblin said he had been informed Capone would communicate with him during the night. The officers said they had been ordered to halt removal of the furnishings until Monday.

Prosecutors Detailed To Handle Capone Case

CHICAGO, June 6 (AP)—Double trouble was brewed for Al Capone today.

District Attorney George E. Q. Johnson announced he had detailed income tax prosecutors on his staff to see that Capone does not go free on tax evasion charges.

And he revealed that hoodlums and gangsters who testified falsely when they were called before the grand jury which indicted Capone to tell what they knew of his underworld operations are to be prosecuted for perjury.

"I'd like to get this case out of the way this summer," Johnson said.

At the same time he denied any negotiations with Capone or his lawyers for a barter which would bring a plea of guilty in exchange for "a satisfactory sentence."

Johnson

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Brooklyn, N. Y. Times

JUN 6 1931

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SAN DIEGO, CAL., UNION
JUNE 7, 1931

G. E. Q. JOHNSON MOST HATED OF GANGLAND FOES

U. S. District Attorney Sends Illinois Hoodlums to Jail; Capone Not Immune.

By E. M. CIPRIANI
Central Press Staff Writer

CHICAGO, Ill., June 6 — Alone in his office in a spacious corner of the federal building sits a quiet, unobtrusive man. His name is George E. Q. Johnson. He is the United States district attorney for northern Illinois.

He is gangland's most feared foe!

With reason. This quiet, unobtrusive man has gangland on the run. He is disintegrating it. He is ripping apart criminal alliances. He is sending hoodlums to prison. None is too powerful. Not even Al Capone, king gangster of the prohibition era. Even influential politicians are not immune to the legal scythe he swings. George E. Q. Johnson is not only feared. He is hated!

REAPPOINTED BY HOOVER

But District Attorney Johnson grinds on. Uncle Sam thinks quite well of his prosecuting agent here. President Hoover recently reappointed him for another four-year term.

District Attorney Johnson does not, of course, carry a gun, but if he did he could mark the notches in the good, old-fashioned way. His notch marks would show this:

Al Capone, six months in jail for contempt of court.

Ralph Capone, his brother, three years in prison and $10,000 fine for income tax evasion.

Jack Guzik, his business manager, five years in prison and $17,500 fine for tax violations.

Sam Guzik, Jack's brother, one year and one day in prison, and $2500 fine for tax evasion.

HEAVY SENTENCE

Frank Nitti, Capone captain, 18 months in prison for failure to account for income taxes.

Terry Druggan, big beer baron, plea of guilty to income tax violation.

Frankie Lake, his ex-partner, guilty plea in similar case.

Tony (Mops) Volpe, Capone henchman, facing deportation.

It is an imposing list of "who's who" in the racket. Druggan and Lake have pleaded guilty on a chance. If Ralph Capone's sentence is upheld, they'll accept penalties. If it's reversed, they'll switch their pleas to not guilty. Volpe's deportation virtually is certain, officials say. Al Capone is not yet in jail, because of an appeal. Ditto for Ralph, and Jack Guzik. They hope for reversals, but the United States circuit court of appeals seldom disturbs lower court judgments.

Gangsters aren't the only persons non grata on Johnson's list. There are, for instance, County Assessor Gene Oliver and State Representative Lawrence O'Brien, facing terms of 18 months each in prison for alleged income tax violation.

EXPOSING CRIME

District Attorney Johnson has the hoodlums on the run, no doubt. He fooled them with a flank attack—the income tax law. Johnson is optimistic. In a recent talk he said, "the invisible government of crime is becoming visible." He has exposed it.

District Attorney Johnson is gangland's most feared, most hated foe. He's quiet and unobtrusive. And he's a humorist. He grins over the fact he has two middle letters to his name. The "E." and the "Q." The "Q." he admits doesn't stand for anything. He just inserted it.

"When I looked into the city directory," he says, "I found too many George E. Johnsons. I had to identify myself. I stuck in the 'Q'".

CHICAGO ILL. HER & EXAM
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Argus Pressclipping Bureau
352 Third Ave., New York
CLIPPING FROM

Crime

NEW YORK AMERICAN

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N. Y. DAILY NEWS

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E TRIAL

U. S. Demands Early Trial Be Set for Capone

(Continued from page 2)

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Confronted with the virtual certainty that no jury would acquit him, and no judge, on the showing of the evidence, Capone, it is believed, would rather plead guilty and save himself a couple of years than stand trial with the risk of a five-year sentence such as Jack Guzik received.

The Grand Jury which returned its indictment against Capone Friday has not been discharged and it will be called again Tuesday to hear additional evidence.

It was disclosed today that the source of Capone's $1,038,654 income traced to him for the years 1924 to 1929 inclusive, which the true bills did not set forth, were divided into three main branches.

These were liquor—including beer, alcohol, wine and whisky—gambling, including horse race bets and gambling house receipts, and vice, representing the syndicate's string of brothels.

The Government's case against Ralph Capone, who, with a dozen of his henchmen are charged with conspiracy to violate the liquor laws in Cicero, is scheduled to go on trial before Federal Judge Barnes Monday.

Ralph Capone's appeal from his three-year sentence for tax fraud is under advisement.

Officials Plan to End Capone's Vast Racket.

Washington, D. C., June 6 (U.P.).—Indictment of Al Capone, Chicago gang leader, on charges of conspiracy to violate the prohibition laws, thus striking directly at his far-flung bootleg racket, is expected to follow the Federal Government's first blow in obtaining indictments for income tax law violations.

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At the same time he denied any negotiations with Capone or his lawyers for a barter which would bring a plea of guilty in exchange for "a satisfactory sentence."

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Brooklyn, N. Y. Times

JUN 6 193

AL CAPONE FACES NEW INDICTMENT AS DRY VIOLATOR

Washington Plans to Strike at His Bootleg Racket by Grand Jury Action.

Washington, June 6.—Indictment of Al Capone, Chicago gang leader, on charges of conspiracy to violate the prohibition laws, thus striking directly at his far-flung bootleg racket, is expected to follow the Federal Government's first blow in securing indictment for alleged income tax law violations.

Government agents, it was learned today, gathered a mass of evidence about the gangster's liquor operations in the investigation which brought his indictment yesterday Chicago on charges of 22 income tax law violations.

Officials believes a successful move against the giant liquor racket which the chunky little Italian has built up, on top of the income tax move, would wipe out the organized bootleg ring, which has made him known from coast to coast.

The indictment on the liquor charges is expecting momentarily.

Conviction Predicted

Chicago, June 6.—The indictment and surrender of Scarface Al Capone on charges of evading income tax payments was hailed today throughout Chicago as marking definitely the downfall of the most powerful and elusive gang chieftain in local or American history.

Federal, State and city officials, as well as all newspapers, agreed that Capone's chances of escaping conviction and imprisonment were slight.

Such predictions were based upon the record of United States District Attorney George E. Q. Johnson, who brought about Capone's indictment after three years of work, during which many lesser gangsters were captured and many stills destroyed and in which as many as 50 government agents engaged at times.

Capone, the chief of all gang chiefs, was the ninth gangster indicted. Johnson has been successful in his prosecution of the previous eight.

Capone Surrenders

Capone's surrender came late yesterday, three hours after indictments against him were made public. He was accompanied to the U. S. Marshal's Office by his attorneys. A surety bond for $50,000 to cover the amount previously set, preceded him.

He was in the office only a short time, signed his bonds, then disappeared again into the underworld which he had controlled for several years.

The two indictments, one of which was voted in March and kept secret, charged that Capone owed the Government $215,080.48 on a total income of $1,038,654.84 during the years 1924 to 1929, inclusive.

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CHICAGO ILL TRIBUNE
MONDAY, JUNE 8, 1931.

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Chicago Tribune

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The United States Circuit Court of Appeals yesterday took under advisement the appeal of State Representative Lawrence C. O'Brien, the outcome of which is awaited as a test of the government's income tax campaign against politicians and gangsters.

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Pleas of guilty by Terry Druggan and Frankie Lake, beer barons, are contingent as to felony counts upon the result of O'Brien's appeal. The tax conviction of Ralph Capone, which also has been taken under advisement is another case involved. The decision will not only affect these cases, but all others that may or have been appealed. Counsel for O'Brien, Attorney James A. O'Callaghan, was aided yesterday by Attorneys George F. Barrett and William C. Wermuth, who filed a brief amici curiae.

Attorneys for Paschen.

The "friends of the court," according to federal prosecutors, concerned themselves because they are to be counsel for Christian P. Paschen, former building commissioner, and William E. Nichols, alleged fixer for Paschen, both of whom are under indictment on charges of tax fraud. Nichols also figured as an alleged fixer in the trial of County Assessor Gene Oliver, who was convicted of tax fraud.

The principal contention of defense counsel and the "friends of the court" was that a man cannot be convicted of a misdemeanor for failure to file income tax returns and also of a felony for attempts to defeat and evade income tax through the failure to file returns.

Both Actions Essential, Claim.

Federal Prosecutors Jacob Grossman and Dwight H. Green argued that if only the misdemeanor action could lie in the case of failure to file returns, then there would be no punishment for the filing of false returns, and the statutes making it a felony to attempt to evade and defeat income taxes would have no effect.

O'Brien also contended that he believed his income exempt from taxation because he drew salary as a state official, but the governme showed that he had an income $435,000 during three years from h teaming business. Many of his co

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against Al.

They were Peter Penovich, Cicero gambler; "Diamond Louie" Cowen, Cicero gambler, and Louis LaCava, former secretary to Johnny Torrio, Capone's predecessor.

They, with half a dozen others, have been before the federal grand jury at various times during the past two months, answering questions concerning Capone's financial affairs.

EXILED BY CAPONE.

La Cava, it is expected, will be the government's star witness in the Capone trial Once powerful in the Capone ranks, La Cava was exiled several years ago after a quarrel with Capone.

La Cava was found in Pittsburgh by Investigator Clarence Converse after a search of nearly two years. Indications at the Federal Building were that the government is protecting La Cava.

What aid, if any, Penovich and Cowen have given the district attorney is not known. Prosecutors have indicated that some of those who testified before the grand jury may face perjury charges.

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Capone

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RALPH CAPONE ASKS INCOME TAX PENALTY RELIEF

Crime

Suit Says Bank Deposits Were Misleading.

6-10-31 Chicago Tribune

Washington, D. C., June 9.—[Special.] — Contending that his bank deposits are not representative of his income, Ralph Capone, Chicago gambler and brother of Al, yesterday filed a petition with the United States board of tax appeals asking that his conviction for evasion of federal income taxes be lifted, it was learned at the board today.

RALPH CAPONE.

The government claims that the Chicago racketeer owes it a total of $311,282.53 in taxes and penalties imposed for his attempted evasions in 1926, 1927, and 1928.

The petition, which was filed by Capone's attorney, George N. Murdock of Chicago, sets forth four errors in the deficiency letter upon which the original conviction was based. It contends the tax is based on bank deposits carried in Capone's name and not upon his net income, and that the bank accounts were not the sole property of Capone.

His Losses Ignored.

It declares that no deductions were made for gambling losses and says the

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CHICAGO ILL DAILY NEWS
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U. S. in New Hunt For Capone Cash; Quick Trial Seen

Revenue Experts See Gangster's Reputed Riches; Pals in Court.

FUNDS ARE HIDDEN

Officials of the United States government, who spent two years gathering evidence on which to obtain the indictment of Al Capone, jailbird and brothel keeper, for the evasion of income tax, today were engaged in a new move to seize his reputed wealth.

Robert E. Neeley, acting collector of internal revenue, today was directing a staff of federal aids in the work of tracing Capone's property holdings and possible hidden funds. The action, Mr. Neeley explained, is a compulsory civil move entirely separate from the criminal proceedings as a result of his indictment Friday.

Meanwhile the removal of furnishings from the gang leader's palatial Palm island (Florida) residence as a result of a $50,000 suit filed against Capone by Vincent C. Giblin, Miami attorney, for legal fees, was halted today following a telephone call to Giblin from Capone at Chicago.

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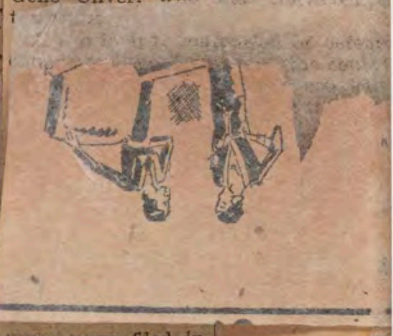

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COLUMBUS OHIO CITIZEN
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UNITED STATES SEEKS CAPONE'S HIDDEN WEALTH

Conviction of Scarface Al Is Other Big Job Confronting Federal Men.

CIVIL SUITS THREATENED

Even if "Chief" Is Sent To Prison, Government Will Take Overdue Tax.

By United Press.

CHICAGO, June 8.—Officials of the United States government hunted today throughout the land for the hoarded wealth of Scarface Al Capone.

The government spent three years and a fortune piecing together evidence Capone made at least $1,038,654 between 1924 and 1929, then indicted him last week on a charge of not paying income tax.

Collecting the proof he really had made his millions did not, however, end the work connected with Atty. Gen. Mitchell's announced intention of putting out of business "the biggest gangster of them all."

Two Jobs Remain.

George E. Q. Johnson, United States district attorney, who gathered the evidence, said the big jobs remaining were to convict Capone and find where he hid the millions it was said he made.

Johnson was confident he could get the conviction. One reason the indictment was delayed so long was to make it strong, he said. As for the hidden wealth, it was predicted it would be found scattered in investments from coast to coast. The work of finding it, Johnson said, was being directed by Robert E. Neeley, acting collector of internal revenue.

"It is not as easy as it sounds," said Neely. "Capone had no bank accounts—at least not in his own name. No doubt he owns much property, including stills and perhaps a bank or two, but others own them in name. He dealt in cash only."

Suit Is Questioned.

Neely said civil liens would be filed against every dollar's worth of property Capone owned—when it is found. These actions, he said, are entirely apart from the criminal indictment returned last week.

Even if Capone is found guilty and sentenced to the maximum 32 years possible under the charges, it will not mean cancellation of the $215,080 debt which the government says he owes, Neely said. His property, when found, will be seized just as the federal government once seized the cows and other property of Frank Lake, another Chicago gangster whom the government went after, and also got.

Neely regarded with some suspicion reports that Capone's attorney, Vincent C. Giblin, had attached the gangster's Florida estate on claim Capone owed him a $50,000 fee.

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According to the petition, Capone, as cashier of a syndicate engaged in an illegal business, found it necessary to deposit and withdraw large sums from the accounts. He was merely connected with the syndicate, the petition adds, as cashier, for which service he received a salary of $100 a week. It is also stated in the petition that Capone suffered through personal bets on race horses and the like, which brought his losses to more than like brought his losses to more than his gains in 1926 and 1927.

Relied on Court Ruling.

However, no returns were filed in 1926 and 1927, according to the petition, because Capone was relying on a court decision holding that no returns need be made for income from illegal sources.

At the board of tax appeals today it was stated that if Commissioner David Burnet holds the facts listed

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Crime

HUNT CAPONE'S HIDDEN RICHES FOR U. S. DEBT

Expect Gang Chief to Offer Cash.

(Picture on back page.)

ROBERT NEELY.

Agents of the United States government engaged yesterday in the game of treasure hunting — seeking the hoarding place of Al Capone, the master bootlegger and gangster of them all. Capone owes Uncle Sam at least $215,080 and there is no possibility of a debt cancellation, even though Al serves any part or all of the thirty-two prison sentence possible under the indictment, according to Robert E. Neely, acting collector of internal revenue.

In the office of United States Attorney George E. Q. Johnson there is the expectation that the wily gang leader will tender the government the $215,080 with the hope of thereby mitigating his sentence.

U. S. Can Prove Income.

The prosecuting branch of the government is certain it can establish to the satisfaction of judge and jury that Capone's income during the years 1924, 1925, 1926, 1927, 1928 and 1929 was at least $1,038,654. Police and prohibition agents who know of Capone's activities say Capone's revenue is at least that much each year, but they can't prove it.

The difficulties of Mr. Neely as the designated person to do the collecting from Capone were emphasized during the two years of the compiling of evidence that more than $1,000,000 actually reached the Capone treasure chest —wherever that may be. The investigators learned that Al is a shifty person who kept no bank accounts in his own name, had no safety deposit owned nothing, and lived more riously than the flashiest Coal Oil Johnnie.

Mr. Neely's first duty was explained

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INDICT CAPONE; 5,000 COUNTS

U. S. JURY HITS $200,000,000 BEER COMBINE

Gang Chief Named with 68 Aids.

BY CHESLY MANLY.

(Pictures on back page.)

The federal government yesterday delivered another smashing blow at the Capone gang with the indictment of Al Capone himself and 68 of his followers in a $20,000,000 a year beer combine.

The evidence of dry law violation piled up against Capone and his men constitutes the greatest prohibition conspiracy case on record, according to federal agents. The indictment tells the story of the rise of a gigantic industry with total receipts of $200,000,000 for the ten years beginning in 1921 and with hundreds of trucks convoyed by gunmen ready to shoot it out with dry agents as they moved through the loop.

5,000 Offenses Charged.

The true bill alleges 5,000 separate offenses, 4,000 of which consisted in the transportation of beer trucks with their loads of 32 barrels each.

During the ten year period covered by the alleged conspiracy the gang had an average of ten breweries in operation all the time, according to federal investigators. Each brewery had a capacity of 100 barrels of … a day and the standard Ca-

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During the ten year period covered by the alleged conspiracy the gang had an average of ten breweries in operation all the time, according to federal investigators. Each brewery had a capacity of 100 barrels of

beer a day and the standard Capone price is $55 a barrel, so that the daily gross receipts would be $55,000.

Back of the indictment is the story of an intensive investigation, led by Eliot Ness of the special prohibition agents, of telephone wire tapping, wild night rides in pursuit of beer convoys, near gun battles, threats of death, and offers of bribes as high as $50,000.

Second Indictment.

The indictment, returned by the grand jury before Federal Judge John P. Barnes, follows another one returned last Friday charging Capone with income tax evasion. The new charge adds the possibility of two years in the penitentiary and a $10,000 fine to the possible maximum of 32 years' imprisonment and an $80,000 fine which Capone faces if he is convicted under the income tax indictment.

Capone already is under sentence of six months in jail for contempt of federal court and is awaiting the outcome of an appeal in this case. He is to be arraigned at 2 p. m. Tuesday before Federal Judge James H. Wilkerson on the income tax indictment, and the federal prosecutors will ask an early trial.

Gang in Financial Straits.

Yesterday's indictment, say the federal men, not only represents the first time the "big shots" of a gang have ever been hit by liquor law charges in Chicago but virtually assures the undoing of

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Capone.

His gang is said to be almost insolvent, due to the wrecking of his huge breweries by raiders, the large amounts paid for protection, the high bonds required of his gangsters in the federal courts, and the business depression.

United States Attorney George E. Q. Johnson permitted the $50-

1931 55

Policeman Meagher pleaded w… company officials to no avail. He conferred with Chief of Detectives John Norton. Chief Norton began to put pressure on the officials and Policeman Meagher ordered a squad of detectives posted at 79th street and Cottage Grove avenue, beside the substation of the Triangle exchange.

The men in the squad car waited tensely. They had been notified that Jennings was a desperate character and they made ready with machine guns and tear bombs. Meanwhile, Chief Norton succeeded in obtaining the desired information from the telephone company.

Over the radio came the measured accents of the police announcer.

End of the Man Hunt.

"Go to 830 East 75th street for Triangle 6699," the voice said.

The squad car roared into 75th street and halted in front of No. 830 East.

It was the Grand Crossing police station.

Inside the detectives found Jennings in a cell. He had been captured three days before and had telephoned his wife in Fond Du Lac from the pay telephone in the station.

VOTE TO FORBID FIREWORKS SALE ON COUNTY ROADS

000 bond on Capone's income tax indictment to cover the conspiracy charge as well.

No Sympathy in Move.

When the question was raised as to whether this action of the district attorney's office did not show sympathy for the greatest gang leader it was explained by friends of District Attorney Johnson that the purpose of a bond is to insure the appearance of the accused in court.

Bonds, it was stated, cannot be used under the law to punish. The district attorney's office would probably have difficulty showing in court that the bonds on which Capone is now at liberty are not sufficient to insure his court appearance, it was said.

Three Other Chiefs Named.

The conspiracy indictment, which named three other leaders besides Capone, leaves only Ted Newberry and Dennis [The Duke] Cooney of public enemy rank in the gang who have not been indicted or convicted on federal charges. Both Newberry and Cooney are reported in trouble over income taxes.

One of the three major figures indicted with Capone is Joe Fusco, business manager of the syndicate's beer department, who is said to have assumed greater importance in the gang since the convictions of Jack Guzik, Frank Nitti, and Ralph Capone on tax fraud charges. The other two leaders indicted are Bert Delaney, superintendent of manufactories for the syndicate, and Steve Swoboda, veteran Capone brewmaster.

Nearly Engage in Gun Battle.

It was Delaney and his crew of gunmen who almost engaged the federal agents in a gun battle and later attempted to hijack the equipment in a $50,000 brewery after it was raided.

Early in April the special agents were watching the brewery, at 3136 South Wabash avenue, from their automobile. A truckload of empty beer barrels, convoyed by a car with two men, drove up. The convoy stopped, and four other automobiles, bearing two men each, including Delaney, appeared on the scene.

The agents' car was surrounded and the federal men were prepared for battle, but Delaney ordered his men to put up their guns. He then tried to bribe the agents, offering $600, $2,000, and finally saying: "Set your own price." The agents spurned the offers but let the gangsters go.

A few days later, on April 11, the brewery was raided, 50,000 gallons of beer were destroyed and four prisoners seized, including Swoboda, who had been arrested a week before in a huge brewery at 1624 South Cicero avenue.

Try to Hijack Equipment.

Agent Ness ordered his men to keep the place under surveillance, and the next day, a Sunday, a truck with two men drove up. A sedan followed, and a richly dressed man got out and opened the brewery door with a key from his pocket. This man was Delaney. He and four others were arrested by the agents while loading a 15,000 gallon steel vat on the truck.

The agents ran across Delaney and his convoy gunmen several other times during the investigation. At one time, while the federal men were trailing a beer truck from 22d street to the loop in Wabash avenue, their car was forced to the curb and al-

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HICAGO ILL DAILY NEWS
SATURDAY, JUNE 13, 1931,

10 Gangsters Feel Weight of U. S. Hand; Two in Cells

The federal government's record of achievements in the prosecution of gangsters since United States Attorney Johnson launched his income tax campaign in 1929 follows:

Al Capone, public enemy No. 1, under sentence of six months for contempt of court under indictments for income tax fraud and conspiracy to violate the dry laws.

Ralph Capone, brother of Al Capone, under sentence of three years in the penitentiary for income tax fraud. Case on appeal.

Jack Guzik, Capone business manager, under sentence of five years and a day at Leavenworth prison for tax fraud. Case on appeal.

Frank Nitti, Capone gang treasurer, serving an eighteen month term at Leavenworth on a plea of guilty to tax evasion.

Sam Guzik, brother of Jack Guzik and slot machine szar of the gang, serving a year and a day sentence at Leavenworth on a plea of guilty to tax fraud.

Terry Druggan, public enemy, former beer baron, sentence on plea of guilty to tax evasion awaiting outcome of Ralph Capone's appeal.

Frankie Lake, former partner of Druggan, plea of guilty to tax evasion, also awaiting sentence.

Louis Lipschultz, brother-in-law of Jack Guzik, under indictment for tax fraud.

Tony [Mops] Volpe, Capone gunman and public enemy No. 2, facing deportation for illegal reëntry. Case pending before Appellate court.

Machine Gun Jack McGurn, Capone executioner, awaiting Judge Walter C. Lindley's decision on Mann act charge.

The income tax campaign also has been successful in the prosecution of politicians. County Assessor Gene Oliver and State Representative Lawrence C. O'Brien are under sentence of eighteen months each. Both have appealed. Christian P. Paschen, former city building commissioner, and William E. Nichols, alleged fixer for both Paschen and Oliver, are under indictment. A half dozen contractors also are under indictment on tax fraud charges.

Heinan, another defendant, at the Lexington hotel, at which plans for carrying on their beer business were discussed. Evidence of this meeting was obtained by tapping telephone wires, and in this manner the agents also learned the name applied to Capone in his inner council when referring to him over the telephone.

This name is "Snorky"—never the "Big Fellow," "No. 1," nor any of the other names that have gained currency with the public, according to the agents. Ralph Capone, who is not named in this indictment but is awaiting trial on a minor liquor conspiracy charge, is called "Rusky" by his associates, the phone conversations disclosed.

The agents sat with their ears pressed to receivers for as long as twelve hours at a stretch to listen in on the Capone gangsters. Among those whose conversations were carefully recorded are Machine Gun Jack McGurn, awaiting a decision on a Mann act charge, and Frank Rio, Capone's bodyguard and his fellow prisoner in a Philadelphia cell two years ago.

Standard Equipment Used.

In addition to the tracing of truck numbers and the tapping of telephone wires, the agents observed that a standard type of equipment was used in all Capone breweries—the 15,000 gallon steel vat plant unit, and motors, compression tanks and racking machines all bought from the same manufacturer.

The raiders even found equipment in use that had once been confiscated, which meant that some innocent appearing representative of the gang had bought it back at the United States marshal's auction sale. Time and again brewery workmen arrested in one brewery would turn up in an-

had not determined when Capone would be brought to trial on the booze conspiracy charge, wishing, he said, to dispose of the income tax case first. The government hopes this will be within a month, and by that time Capone's appeal from his contempt of court sentence may be settled.

Minor Defendants Named.

The defendants besides those already mentioned are: Nick Juffra, William De Does, Frank Juffra, Harry Green, William Johnson, Fred Benton, Walter Johnson, John Arcie, Joe Smith, Frank Brown, George Smith, Anthony Juffra, William Dowd, James Sullivan, Sam Donile, William Mann, Robert Price, Ed Crosby, Charles Wyner, Nicholas J. Wirtz, Fred W. Wirtz, Harry J. Swanson, Henry Carter, Michael Potson, Frank Nagel, John Suters, George Talbot, George Talbot Jr., George Blake, John Miller, John Chandler, John Peterson, John Doyle, George Anderson, Eddie Costello, William Howard, Richard Swanson, Fred Brown, Joe D'Angelo, John Brown, James Vesta, Harvey Brody, Joe Ryan, Albert Holmes, John Howard, Charles J. Marr, Joseph Bennett, John Juffra, Earl Butler, Percy Cox, Chris Sansone, Roy Campbell, Frank Carey, Patrick O'Brien, Frank Contie, Mike Smith, James Callaway, Frank Stork, Harry Olson, James Holton, Jack Carlson, and Frank Uva.

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THERE'S A SLIP-UP
"HE'LL TRY TO GIVE HER ONE OF THOSE PERMANENT TIDAL WAVES! SHE SHOULD HAVE LET ME GIVE HER ONE OF MINE"
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Police Trail Suspect Right Into His Lair

(Picture on back page.)

Policeman Thomas Meagher, in charge of long distance calls at the detective bureau, put a telephone received to his ear yesterday afternoon in response to the operator's report that a call had come in from Fond du Lac, Wis.

"This is Chief of Police Silgen of Fond du Lac," said an excited voice on the wire. "We have a tip for you on which you can arrest Albert Jennings, escaped from the Boise, Idaho, state penitentiary, and wanted for forgery and other crimes in Idaho, Wisconsin and Illinois."

"Yes, yes," said Policeman Meagher.

Calls Wife from Chicago.

"He called his wife in this town from a telephone in Chicago," went on the voice. "Our force is alert and we had ordered the telephone company to trace any calls to the woman. They obeyed us and found that the number was Triangle 6699."

"It's a swell tip," said Policeman Meagher, with interest. "We'll get right on it."

But the policeman found there were difficulties in tracing the number. The telephone company reported that it was an unpublished number concerning which no information could be given out.

Detectives Await Word.

CHICAGO ILL DAILY NEWS
SATURDAY, JUNE 13, 1931.

CAPONE 'LANDED' AFTER DIFFICULT WORK BY U. S.

on

Investigation Covering 10 Years Leads to Indictment of Gang Chief.

The dramatic investigation and elaborate preparation of evidence which brought about the comprehensive conspiracy indictments against Al ("Scarface") Capone and sixty-eight of his henchmen was hailed today as being one of the most thorough and painstaking inquiries ever conducted by the United States government.

Initiated by United States District Attorney George E. Q. Johnson, as another step for the ultimate breakup of the Capone gang and approved by the authorities at Washington—including President Hoover—the perilous inquiry of breweries, sources of income and other operations of the gigantic syndicate was carried on by some of the best investigators, prosecutors and legal experts in the federal service.

Ten-Year Story.

The well-knit web of evidence, commencing with Capone's purchase of a beer truck nearly ten years ago, was assimilated by special prohibition agents, formerly headed by Alexander Jamie (present crime fighter of the "secret six" of the Chicago Association of Commerce) and now under Chief Special Agent W. E. Bennett.

Co-operating with Col. John F. J. Herbert, prohibition administrator, the special operatives raided and smashed breweries, trailed beer trucks, tapped telephone wires for incriminating conversations, studied telegrams sent to all parts of the country.

Assistant Chief Special Agent Elliot Ness, young college-trained investigator, is given much of the credit for leading devastating raids on Capone-Guzik-Fusco breweries in Cicero and the south side of Chicago and with having conducted other hazardous investigations.

Experts Draw Indictment.

The indictment was drawn by Assistant Attorneys-General Oliver E. Pagan and William Stern, indictment experts brought here for that express purpose.

The case was presented to the federal grand jury by Assistant District Attorneys Victor E. LaRue and William G. Froelich, the latter a former assistant attorney-general drafted for the local staff to aid in presentation of the case.

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CHICAGO ILL PO
SATURDAY, JUNE

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SATURDAY, JUNE 13, 19

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DAYTON OHIO NEWS
SUNDAY, JUNE 14, 1931.

AL. CAPONE IS SKATING CLOSE TO BANKRUPTCY

Gangster Declared Heavily Inflated With Imaginary Riches.

BY OLIVER SHERWOOD

Copyright 1931, by The Dayton Daily News

CHICAGO, June 13.—Public deflation of the once highly inflated Capone family of hoodlums, goes on apace under the careful, prodding guidance of the persistent federal district attorney here, George E. Q. Johnson.

A chorus of disappointed editorial feeling broke over the country when Mr. Johnson's campaign turned up evidence of an annual Capone income only slightly above $200,000. It can be less surprised, however, at the latest deflation indictment charging 5000 violations of the prohibition laws.

Here was the scar-faced king of the underworld, displaying a salary hardly comparable to the annual earnings of a good broker's clerk during the boom years in which it was made. Judging by the reaction, the public felt that it had been cheated by the vision it received of a plutocratic gang chieftain.

Government investigators point out that Alphonse Capone was a careful concealer, and $200,000 merely represents the sum they caught sight of. But they let it be known that this ganster was heavily inflated with imaginary riches. At the moment they consider him a possible approaching subject for the bankruptcy court.

What a few thousand dollars means in gangland right now, is suggested, so the district attorney points out, by the howl being raised by Ralph Capone, elder brother of Al. Ralph already is under sentence to three years in Leavenworth for income tax law violation and has been fined $25,000. In addition the government is assessing him $311,000 for back taxes and penalties. This sum, under ordinary popular impression, a mere pittance, causes Capone to go to court.

Al himself is facing penalties of over $200,000 in addition to possible prison sentence which the government is inclined to think almost inevitable, since it has scored seven convictions in seven tries in similar cases. The whole Capone organization now is in the shadow of a prison cell and that, too, adds to the deflation.

"When a gangster is kicked around, regardless of his previous position, he loses standing, unless able to fight back successfully," Mr. Johnson said. "Capone is being handled without kid gloves. He has been unable to show immunity to punishment and [illegible] Already he faces [illegible] any money in the fie[illegible] in which he operates. He tells of the leeches of the underworld who bleed the man in power of everything he can make. There are huge profits but likewise there are huge expenses. In the end nearly all of them find that their effort was wasted. They have nothing to show for all of their work, their fighting, and their fixing. A violent death usually is the one reward."

Al must go to court next week to be arraigned. His glum appearance recently indicates what he thinks of his chances to battle the federal government. The once debonair gangster has become a shrunken, bitter hoodlum, his organization badly shattered and his power waning.

MARRIAGE LICENSES

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CHICAGO ILL PC
SATURDAY, JUNE

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CHICAGO ILL HER & EXAM
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ROCHE LEADER IN FIRST HUNT FOR AL'S RICHES

Conspiracy Expert Brought Here to Draw Charges; Ness Beaten Because of Tenacity

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The work, carried on in the greatest secrecy, as only a few knew that Al's indictment was their goal, was directed by United States Attorney George E. Q. Johnson.

WORK BEGUN BY ROCHE.

Patrick Roche, former chief of the intelligence unit, and his assistant, Clarence Converse, began the investigation in 1926. Their work was taken over by Alexander G. Jamie, former chief special agent, then by his successor, W. E. Bennett. The latter was familiar with Capone's activities in Florida.

Bennett's first assistant, Eliot Ness, college-trained investigator, directed the inquiry with a small but experienced staff. These men, unknown to other agents, and strangers to Chicago, tracked down brewery after brewery. They were several times beaten by gangsters. They refused a fortune in bribes.

PLOT EXPERT CALLED IN.

William J. Froelich, assigned to the attorney general's office, was brought to Chicago last November to co-ordinate the investigating bodies. He had previously directed investigations that led to successful conspiracy prosecutions in Florida and Seattle.

As the case approached its climax a week ago, Assistant Attorney Victor E. La Rue, a successful conspiracy prosecutor, and Special Assistant Oliver E. Pagin of Washington, were called. Mr. Pagin, who successfully prosecuted scores of trust cases, aided in drafting the government's "iron-clad" indictment.

Order Capone to Court on Income Tax Charges.

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DAYTON OHIO NEWS
SUNDAY, JUNE 14, 1931

TO BANKRUPTCY

Gangster Declared Heavily Inflated With Imaginary Riches.

BY OLIVER SHERWOOD

Copyright 1931, by The Dayton Daily News

CHICAGO, June 13.—Public deflation of the once highly inflated Capone family of hoodlums, goes on apace under the careful, prodding guidance of the persistent federal district attorney here, George E. Q. Johnson.

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Here was the scar-faced king of the underworld, displaying a salary hardly comparable to the annual earnings of a good broker's clerk during the boom years in which it was made. Judging by the reaction, the public felt that it had been cheated by the vision it received of a plutocratic gang chieftain.

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CHICAGO ILL P
SATURDAY, JUNE

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CHICAGO ILL HER & EXAM
SATURDAY, JUNE 13, 1931.

Toda

ROCHE LEADER IN FIRST HUNT FOR AL'S RICHES

Conspiracy Expert Brought Here to Draw Charges; Ness Beaten Because of Tenacity

The wholesale indictment of Al Capone and his gang, instigated by the highest officials in Washington, was completed by a staff of investigators, prosecutors and legal experts regarded as the pick of the government forces.

The work, carried on in the greatest secrecy, as only a few knew that Al's indictment was their goal, was directed by United States Attorney George E. Q. Johnson.

WORK BEGUN BY ROCHE.

Patrick Roche, former chief of the intelligence unit, and his assistant, Clarence Converse, began the investigation in 1926. Their work was taken over by Alexander G. Jamie, former chief special agent, then by his successor, W. E. Bennett. The latter was familiar with Capone's activities in Florida.

Bennett's first assistant, Eliot Ness, college-trained investigator, directed the inquiry with a small but experienced staff. These men, unknown to other agents, and strangers to Chicago, tracked down brewery after brewery. They were several times beaten by gangsters. They refused a fortune in bribes.

PLOT EXPERT CALLED IN.

William J. Froelich, assigned to the attorney general's office, was brought to Chicago last November to co-ordinate the investigating bodies. He had previously directed investigations that led to success-

in Flor-

Judge Wilkerson
arraignment on the
of income tax evasion.
is expected to be served on
the indictment returned yesterday
charging conspiracy to violate the
prohibition law.

United States Attorney Johnson said a date probably will be set at the hearing for arguments on demurrers to the income tax indictment.

Trial will start the same day demurrers are argued if the motions are overruled.

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What a few thousand dollars means in gangland right now, is suggested, so the district attorney points out, by the howl being raised by Ralph Capone, elder brother of Al. Ralph already is under sentence to three years in Leavenworth for income tax law violation and has been fined $25,000. In addition the government is assessing him $311,000 for back taxes and penalties. This sum, under ordinary popular impression, a mere pittance, causes Capone to go to court.

Al himself is facing penalties of over $200,000 in addition to possible prison sentence which the government is inclined to think almost inevitable, since it has scored seven convictions in seven tries in similar cases. The whole Capone organization now is in the shadow of a prison cell and that, too, adds to the deflation.

"When a gangster is kicked around, regardless of his previous position, he loses standing, unless able to fight back successfully," Mr. Johnson said. "Capone is being handled without kid gloves. He has been unable to show immunity to punishment and [illegible] Already he faces [illegible] any money in the fie[illegible] in which he operates. He tells of the leeches of the underworld who bleed the man in power of everything he can make. There are huge profits but likewise there are huge expenses. In the end nearly all of them find that their effort was wasted. They have nothing to show for all of their work, their fighting, and their fixing. A violent death usually is the one reward."

Al must go to court next week to be arraigned. His glum appearance recently indicates what he thinks of his chances to battle the federal government. The once debonair gangster has become a shrunken, bitter hoodlum, his organization badly shattered and his power waning.

MARRIAGE LICENSES

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CHICAGO ILL POST
SATURDAY, JUNE 13, 1931,

AL CAPONE TO BE ARRAIGNED IN RUM CASE ON TUESDAY

Warrants Prepared for Others of Gang Under Indictment.

Al Capone will be arraigned before Federal Judge Wilkerson Tuesday at 2 p. m. on the booze charges contained in the indictments returned as well as the income tax violation indictment, United States District Attorney George E. Q. Johnson announced today.

Meanwhile, Deputy Marshals Joseph O'Neil, Eric Glasser and Joseph Spizzirri are busy preparing the warrants for the other sixty-eight members of the Capone gang named in the booze indictments and rounding them up for [illegible]ment.

Eighteen indicted, with the exception of Capone, already have been arraigned and the majority are free on bonds ranging from $2,000 to $10,000. They were arrested in raids on breweries and stills and seizues of beer and booze delivery trucks during the intensive evidence-gathering campaign instigated by high Washington officials.

No New Bond.

Capone, now under a six-month sentence for contempt of court, will not be required to post bond immediately on the conspiracy charge.

Until Tuesday, United States District Attorney Johnson said, the gang chieftain will be allowed freedom on a $50,000 bond scheduled to insure his appearance before Judge Wilkerson.

Whether Capone will be required to post additional bond on the conspiracy charge when he faces Judge Wilksonson Tuesday could not be learned today. The district attorney's office announced yesterday that in allowing the $50,000 to cover the conspiracy charge, they were exhibiting no sympathy for the gang leader.

Made $200,000,000.

"Bonds cannot be used as a method of punishment, under the law," it was explained. "We probably would have difficulty convincing the court that the $50,000 bond now posted is not sufficient to insure Capone's appearance on the conspiracy charge."

The indictments returned yesterday traced the growth of the Capone beer-running organization from 1921 to the present. Total receipts of $200,000,000 for the ten years have poured into the gang's treasury from this one phase of Capone's many interests, federal men said.

[illegible] HER & EXAM
[illegible] 13, 1931,

Federal Service

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1931 57

WAR ON

1931 57

six years pone filed income tax return, although it was known that he received a vast income, due to his monopoly of the booze, alky, and beer business of the Chicago territory, his control of the gambling rackets and his profits from his string of brothels. Capone had boasted that he was too smart for the government, that he put no money in banks and no money could be traced to him.

Gang Power Weakening.

But, according to government officials, $1,038,654 was traced directly to Capone and therein, it is said, lies a story indicative of the disintegration of the great organization that had its connections and agencies all over the country and was part of a huge international syndicate that has enabled millions of Americans to flout the prohibition laws for twelve years.

"Capone's gang lieutenants have talked to save themselves," government agents stated. "Capone has een pushed around so much his ower has waned."

United States Attorney Johnson's ategy was said to have been exhib in proceedings against Capone'

1931 57

grand jury more than a y ago. Federal prosecutors said th contempt appeal probably would be decided soon and there is a probability that Capone would be in jail before the income tax indictment is tried.

The indictment, which was handed to Judge Barnes' clerk by J. Milton Trainer, real estate man and foreman of the grand jury which had spent three months on the Capone investigation, contained five felony and two misdemeanor counts. Another indictment, returned on March 13 and suppressed, contained one felony count relating to Capone's income in 1924. The possible maximum penalty on the six felony and two misdemeanor counts is thirty-two years' imprisonment and a fine of $80.000.

Find $1,038,654 Income.

The government alleged that Capone owes taxes of $215,080 on a net income of $1,038,654 for the years 1924 to 1929, inclusive. The govern does not say that this was th of Capone's income of th but it represents th amoun ernment expects be abl that the chief g ster

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1931 57

nounce cision this a action plea of Capone "muscle man." If erson holds Volpe it will have the effect of voiding the deportation order issued against Volpe.

Lipschultz is charged with owing $38,826 on a $234,530 income in 1928 and 1929.

Mr. Neely, who is seeking to establish Capone's ownership of various pieces of real estate, jewelry, automobiles, bank accounts, safe-deposit vaults and whatever other property the federal men can find, pointed out that it all can be seized by the government in civil action and sold at auction.

Charge He Owes for Six Years.

Although proof of Capone's vast income—he is charged with owing taxes for the years 1924 to 1929 on an income of $1,038,654.84—was unearthed under the direction of A. P. Madden, head of the special intelligence unit of the internal revenue department, the operatives were unable to find any definite title in Capone's name to any of the gambling joints or the many booze flats he controls.

However, Mr. Neely said, if Florida property for which Attorney Giblin is fighting can be proved to be Capone's, it will be seized by the government in pr claims.

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Kansas City, Mo. Jou
UNE 15, 1931

CAPONE 'FIXER' GIVES UP TO U. S. OFFICERS

Jack Seinen Deposits Five $1,000 Bills as Bond Pending Trial.

PREPARE AL'S DEFENSE

Attorney for 'Scarface' Says Chief Plans to Plead 'Not Guilty.'

Pictures on Picture Page.

By United Press.

CHICAGO, June 15.—The government's campaign to put "Scarface" Al Capone and sixty-seven of his gangsters behind the bars gained momentum today when Jack Seinen, one of Capone's right hand men, surrendered on an indictment charging liquor conspiracy.

Seinen, said to be a "payoff man and fixer" for Capone, walked into the United States commissioner's office, deposited five new $1,000 bills with a bond clerk and walked out.

A scowl and muttered curses were his reply to questions from newspaper reporters.

Meanwhile Attorney William F. Waugh, chief of Capone's legal staff, announced Al probably would plead "not guilty" tomorrow when he is arraigned on one of the two indictments which charge income tax fraud and conspiracy to violate the prohibition laws.

"I am prepared to enter a plea of not guilty to either charge," said Waugh.

Prepare His Defense.

"My staff is busy preparing a defense against both charges. We do not know on which charges my client will be arraigned first."

Seinen's appearance in the commissioner's office was regarded as the beginning of what is expected to be a veritable parade of Capone gangsters to the federal building.

Prosecutors say Seinen has kept Capone's hired hands obedient and arranged protection through alleged corrupt politicians and police for the last several years.

As such, he is regarded as an important cog in the machine which brought the Capone gang millions of dollars profit from beer and alcohol. Seinen was manager of the Paddock cafe in the loop district, said by government agents to be a meeting place of Capone lieutenants with the lesser employes and with representatives of local government. It was there they said that police fixers, beer truck drivers and managers of illegal breweries received their pay.

George Q. Johnson, United States district attorney, who directed the scores of government workers in obtaining evidence against Capone on the conspiracy and income tax charges, expressed confidence again

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MOINES IA TRIB & CAPITOL
DAY, JUNE 15, 1931.

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TO U. S. AGENTS.

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WILKES-BARRE (PA) SUN INDPT
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SEE NO ESCAPE

Chicago, June 13.—UP—The doom "Scarface Al" Capone and his bil- on dollar syndicate of liquor, vice nd racketeering interests was pre- icted by authorities tonight as a esult of the two Federal indictments nder which Capone will be arraign- on Tuesday.

The most sinister character in merica's warfare with crime and rruption goes before Federal Judge ames H. Wilkerson to answer to the dictments, which charge him with vading taxes on a part of his fab- lous income and with heading a ast conspiracy to violate prohibi- on.

Capone faces arraignment alone. Without waiting to apprehend the 8 other persons jointly indicted with the notorious gangster on the conspiracy charges the government intends to loose the avalanche of evidence under which it hopes to crush Capone for all time.

Prosecutors assigned to the case United States District Attorney rge E. Q. Johnson prepared today combat the first moves of Ca- e's battery of defense counsel. murrers to the indictments were icipated as inevitable maneuvers the part of gangster's lawyers.

he United States marshal's office orted that 22 of Capone's 67 co- endants had been arrested and rated under bond pending the rehension of the entire group and r arraignment en masse.

he government's attitude of grim ainty that it will succeed where cago, with the help of officials, failed in repeated efforts to shake off the Capone incubus, was displayed in the attitude of District Attorney Johnson.

Has Good Case

He was asked whether the government had a good case.

He tersely replied:

"There wouldn't have been any indictments, otherwise."

Johnson's perfect record of gangster convictions pointed to a like fate for "Scarface Al" and thus to the termination of an era of gangsters and hoodlums who have brought upon Chicago an evil reputation.

The government's act of calling upon Capone for accounting after a

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women and children.

The committee will hold another session tomorrow to be followed by a mass meeting and a banquet.

Threaten Blockade

Pittsburgh, June 13.—UP—Threat to block any peace moves of th United Mine Workers were made to night by leaders of the Nationa Miners' Union, claiming credit for strike of 27,000 men in wester

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DES MOINES IA TRIB & CAPITOL
MONDAY, JUNE 15, 1931.

HERE IS WHAT AL COULD DO

Money He Has Made Would Enforce Dry Laws.

CHICAGO (U.P.)—Here are some of the things that might have been done with the money it is said Al Capone has made since 1921:

Paid the combined debts to the United States of Poland, Belgium, Latvia, Lithuania and Finland.

Met practically all the expenses of the state of Nebraska or kept all factories running in Montana.

Paid almost all the 1,910,022 war veterans who borrowed 730 million dollars from the government on their bonuses.

The income last year from beer alone might have paid off all the Christmas savings accounts in Chicago or operated the police department.

U. S. Attorney George E. Q. Johnson says the total would adequately enforce prohibition in America.

"But," added the prosecutor, "even 700 million dollars would not buy Capone his freedom after we convict him."

Kansas City, Mo. Star
JUNE 14, 1931 J16.

THREATS TO U. S. AGENTS.

Chicago Gunmen Shadowed Dry Law Workers, It Is Learned.

CHICAGO, June 13.—Threats of death and the trials of being shadowed themselves by gang gunmen were some of the perils with which the picked squad of government agents had to cope while gathering the mass of evidence which brought sweeping indictments against the kingpins of Al Capone's gang, it was disclosed tonight.

George E. Q. Johnson, district at-

(Continued on Page 2A.)

bushed by Mike Picchi, alleged Mafia leader. Ness disarmed his attacker and Picchi was arrested. Another time Ness's motor car was forced to the curb by convoy trucks when he was trailing several alleged Capone beer trucks. Ness and his assistants constantly were shadowed by gunmen "trying to get something on them."

The Capone gang once sent an agent to Ness for the express purpose of frightening him into withdrawing from the case, Johnson said.

Most of the evidence against the Capone ring was obtained by tapping wires and tracing beer trucks, Johnson explained.

WILKES-BARRE (PA) SUN INDPT
NDAY, JUNE 14, 1931.

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"BEAR DOWN" ON GANGS

(*Continued from Page 1A.*)

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Jack Seinen Deposits Five $1,000 Bills as Bond Pending Trial.

PREPARE AL'S DEFENSE

Attorney for 'Scarface' Says Chief Plans to Plead 'Not Guilty.'

Pictures on Picture Page.

By United Press.

CHICAGO, June 15.—The government's campaign to put "Scarface" Al Capone and sixty-seven of his gangsters behind the bars gained momentum today when Jack Seinen, one of Capone's right hand men, surrendered on an indictment charging liquor conspiracy.

Seinen, said to be a "payoff man and fixer" for Capone, walked into the United States commissioner's office, deposited five new $1,000 bills with a bond clerk and walked out.

A scowl and muttered curses were his reply to questions from newspaper reporters.

Meanwhile Attorney William F. Waugh, chief of Capone's legal staff, announced Al probably would plead "not guilty" tomorrow when he is arraigned on one of the two indictments which charge income tax fraud and conspiracy to violate the prohibition laws.

"I am prepared to enter a plea of not guilty to either charge," said Waugh.

Prepare His Defense.

"My staff is busy preparing a defense against both charges. We do not know on which charges my client will be arraigned first."

Seinen's appearance in the commissioner's office was regarded as the beginning of what is expected to be a veritable parade of Capone gangsters to the federal building.

Prosecutors say Seinen has kept Capone's hired hands obedient and arranged protection through alleged corrupt politicians and police for the last several years.

As such, he is regarded as an important cog in the machine which brought the Capone gang millions of dollars profit from beer and alcohol. Seinen was manager of the Paddock cafe in the loop district, said by government agents to be a meeting place of Capone lieutenants with the lesser employes and with representatives of local government. It was there they said that police fixers, beer truck drivers and managers of illegal breweries received their pay.

George Q. Johnson, United States district attorney, who directed the scores of government workers in obtaining evidence against Capone on the conspiracy and income tax charges expressed confidence again

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WILKES-BARRE (PA) SUN INDPT
SUNDAY, JUNE 14, 1931.

A—2

LAST OF CAPONE, RACKETEER HEAD, IS PRISON CELL

That Is The Confident Prediction Of Agents Who Back Up His Indictment

SEE NO ESCAPE

Chicago, June 13.—UP—The doom of "Scarface Al" Capone and his billion dollar syndicate of liquor, vice and racketeering interests was predicted by authorities tonight as a result of the two Federal indictments under which Capone will be arraigned on Tuesday.

The most sinister character in America's warfare with crime and corruption goes before Federal Judge James H. Wilkerson to answer to the indictments, which charge him with evading taxes on a part of his fabulous income and with heading a vast conspiracy to violate prohibition.

Capone faces arraignment alone. Without waiting to apprehend the 68 other persons jointly indicted with the notorious gangster on the conspiracy charges the government intends to loose the avalanche of evidence under which it hopes to crush Capone for all time.

Prosecutors assigned to the case by United States District Attorney George E. Q. Johnson prepared today to combat the first moves of Capone's battery of defense counsel. Demurrers to the indictments were anticipated as inevitable maneuvers on the part of gangster's lawyers.

The United States marshal's office reported that 22 of Capone's 67 codefendants had been arrested and liberated under bond pending the apprehension of the entire group and their arraignment en masse.

The government's attitude of grim certainty that it will succeed where Chicago, with the help of officials, has failed in repeated efforts to shake off the Capone incubus, was displayed in the attitude of District Attorney Johnson.

Has Good Case

He was asked whether the government had a good case.

He tersely replied:

"There wouldn't have been any indictments, otherwise."

Johnson's perfect record of gangster convictions pointed to a like fate for "Scarface Al" and thus to the termination of an era of gangsters and hoodlums who have brought upon Chicago an evil reputation.

The government's act of calling upon Capone for accounting after a decade in which he had worked his way up to power with murder and the corruption of politicians and police, checked off the list of Capone's "inne circle" all but five men.

Six of Capone's most valuable and trusted executives already have been sentenced to prison by the Federal courts. If "Scarface Al" who already has been given a six months jail term for contempt of court, is found guilty of income tax evasion, his crumbling power will vanish, prosecutors believe.

Capone breweries, turning out annually $20,000,000 worth of beer, have been beset relentlessly by Federal agents ferreting out the mass of evidence upon which the conspiracy charge and its 5,000 separate offenses are based.

This running assault combined with the persistent prosecution of Capone's needed lieutenants has had a deadly effect and the final blow may lie in the expected conviction of the "Big Shot" himself.

58

ST. LOUIS MO. STAR
JUNE 15, 1931

LEADER IN FIGHT ON CAPONE MAY DIRECT WAR ON GANGS HERE

Elmer L. Irey, Who Helped Direct Investigation Which Resulted in Indictments Against 'Scarface Al,' Is Coming to St. Louis—Expected to Study Progress of U. S. Agents.

CHICAGO, June 15.—(By U. P.)—An intimation that the weapons the federal government has been using on Chicago gangsters will be turned next on the St. Louis underworld was given today.

Elmer L. Irey, sent from Washington to help direct the investigation into the "Scarface Al" Capone syndicate, said he would proceed to St. Louis after Capone's arraignment tomorrow.

He made the announcement after joining in a conference attended by District Attorney George E. Q. Johnson, J. P. Madden, chief special intelligence agent here; Elliott Ness, youthful college graduate who was the "ace" of undercover men used against Capone, and others.

It was understood Irey would go to St. Louis to check up on progress made by federal agents there in preparing to rout gangsters. He may take charge of the activities, it was said.

Within twenty-four hours Al Capone must go before Federal Judge James H. Wilkerson and answer two indictments. One charged evasion of income tax on the millions he squeezed from the under and upper world. The other charged wholesale violations of the national prohibition laws over a ten-year period.

Lawyers Seek Compromise.

Today Capone's battery of high-priced attorneys were reported trying to compromise with the government on the charges that carry thirty-four years in prison and $90,000 in fines in case of conviction. At the office of District Attorney Johnson there appeared no disposition to compromise.

Bit by bit the whole story of how the government agents delved into the ten years of Capone lawlessness and pieced together the evidence that stands against him is becoming known. The drive was headed by Attorney General Mitchell in Washington and, it is reported, was actively backed by President Hoover.

In the end, the various investigators revealed that the Capone gang income from beer alone in ten years amounted to $200,000,000. The $500,000,000 estimated receipts in "hard" liquor, brought the gang's income to $700,000,000, or almost within the billion-dollar class, not counting the flow of gold that poured into the Capone coffers from his vice resorts and gambling enterprises.

Praises Ness.

Johnson especially pointed out for praise 28-year-old Ness, a University of Chicago graduate, who with the seven other college graduates perfected the conspiracy case against Capone. Ness requested only $2,800 a year salary. Several times while trailing beer trucks or waiting outside Capone breweries to get evidence, Ness and his fellow agents were offered bribes to move on a block or so and not "see" the beer trucks enter and leave the place.

The gangsters employed all their tricks of intimidation to drive away the agents. Their lives were threatened by telephone and letter. Their automobiles were stolen. Once the front wheels of Ness' car were stolen as the machine sat over night in front of his home. Private investigators were put on his trail "to get something on" him. Once he was ambushed but disarmed and arrested the gangster, Mike Picchi, a "black hander."

"Big Shots" Here May Be Revealed.

Some of the "big shots" in the St. Louis underworld who have been making fortunes handling whisky will be exposed to public view if federal agents succeed as well in the St. Louis territory as they have in Chicago and indictments are obtained.

As a general proposition, there is no leading king of booze here. A score of "big time" operators make money, but no underworld operator has set out to establish a monopoly. Gangs have declared certain territory their own and when encroachments have resulted there have been killings. The Cuckoos and Hill gangs have participated in some of these killings, but there is no St. Louis Al Capone passing sentence of execution by firing squad on his enemies or men in his won gang who are mistrusted.

Whether or not inquiry into who owes the government income tax on the $140,000 reward paid by the Grand National Bank for the return of its stolen bonds will be participated in by agents coming here or already here, was not mentioned in today's advices from Chicago. The Star has learned that there is hope in some quarters that the government will not proceed to a conclusion with its investigation of who owes the income tax for the $140,000.

Joseph L. Lemon got the money from the bonding company which had insured the bank, and turned it over to the party or parties with whom he dealt in recovering the bonds.

1931 59

N. Y. City Graphic

JUN 16 1931

Capone Will Be Arraigned in Court Today

Heavy Penalties Possible on Both Tax Evasion and Liquor Charges

Chicago, June 16 (A.P.)—The United States carried into its courts today the battle to send the king of gangsters to prison. The arraignment of Alphonse Capone on Federal indictments charging violations of the liquor and income tax laws was called by Judge James H. Wilkerson for 2 P. M. Captain William F. Waugh, the only defense attorney on record as yet in the impending trials, said Capone will plead "not guilty." He admitted the possibility of a demurrer.

There were rumors that the overlord of gangs would enter a plea of guilty to both charges. George E. Q. Johnson, the United States district attorney whose three-year attack brought the indictments, rounded out the Government's offensive at a conference last night. His first assistant, Victor E. Larue, was assigned to arraign Capone on the 5000 counts of indictments charging him with conspiring to violate the liquor laws over a period of ten years. Dwight H. Green, income tax expert, is in charge of the tax evasion case.

In the conspiracy charge, only a single count of the five thousand needs to be proven to show conspiracy, and there is a maximum sentence of two years in prison and a fine of $10,000. Conviction or a guilty plea on the charge of failing to pay $213,000 in income taxes between 1924 and 1929 carries a maximum penalty of thirty-two years in prison and $80,000 in fines.

District Attorney Johnson strongly denied last night that any concession had been made to induce Capone to plead guilty. None of the sixty-eight members of his liquor ring indicted with Capone were called for arraignment today.

Police Commissioner Alcock placed an extra detail about the Federal building.

New Move to Reveal Capone's Property

Miami, Fla., June 16 (A.P.)—Vincent C. Giblin, Miami attorney, has filed a creditor's bill in Circuit Court, asking the Court to subject Al Capone's Palm Island residence and its furnishings to judgment in connection with a $50,000 suit Giblin has brought against Capone. Capone's wife is named as a defendant with her husband.

Judge W. L. Freeland last week issued a restraining order prohibiting county officers from removing furnishings from the Capone home after Giblin's suit was filed. This was on the ground that the property was in Mrs. Capone's name, while Giblin's original action named only her husband as defendant.

Expects Plea of Guilty

The city News Bureau said it has learned from a reliable source that Al Capone will plead guilty when arraigned today on charges of violating the prohibition act and the income tax law. The bureau was informed that a new attorney who took a leading part in inducing the gang chief to admit guilt will appear in court with Capone's usual counsel.

1931 59

SPOKANE, WASH., PRESS
JUNE 16, 1931

Money Al Capone Made Would Have Enforced Dry Law

CHICAGO, June 16.—(U.P.)—Here are some of the things that might have been done with the money it is said Al Capone has made since 1921.

Paid the combined debts to the United States of Poland, Belgium, Latvia, Lithuania and Finland;

Met practically all the expenses of the state of Nebraska or kept all factories running in Montana;

Paid almost all of 1,910,922 war veterans who borrowed $730,000,000 from the government on their bonuses.

The income last year from beer alone might have paid off all the Christmas savings accounts in Chicago or operated the police department.

U. S. Attorney George E. Q. Johnson says the total ~~would adequately~~ enforce prohibition in America.

"But," added the prosecutor, "even $700,000,000 could not buy Capone his freedom after we convict him."

1931 59

GANG LEADER MAPS HIS DEFENSE

Weighs Plan to Plead Guilty or Fight; Fears Prison Is Sure.

The forces of Al Capone today held final council to determine what course the rum ruler should pursue in meeting the two federal indictments which have been returned against him, reportedly at the behest of President Hoover.

Capone must face Federal Judge James H. Wilkerson tomorrow on charges that he violated the income tax law and owes the government $215,000, and that he and sixty-eight of his associates conspired to violate the prohibition law.

The final council, participated in by Capone, his advisers in the powerful organization he dominates, some of whom are his co-defendants on the rum charge, and his attorneys, was to decide how he shall attempt to combat the possible thirty-four years' sentence and fines of $90,000 to which he is liable under the two charges.

HAS TWO COURSES.

Two courses were open to him, both fraught with possibilities of disaster, both offering enticing possibilities to one confronted with such a situation as that which faces Capone.

One was to plead guilty and throw himself on the mercy of the court. The other was to plead not guilty and to fight to the limit of his reputedly vast resources.

The first would involve several considerations, not the least of which is the effect of a guilty plea in the prohibition charge on Ca-

Continued on Page 2, Column 4.

1931 59

CHICAGO ILL AMERICAN
MONDAY, JUNE 15, 1931.

CAPONE WEIGHS DEFENSE PLAN

Continued From First Page.

pone's co-defendants, some or all of whom might desire to fight the indictment. It also probably would involve the matter of Capone's lawyers reaching an agreement with District Attorney George E. Q. Johnson to show leniency and compromise on a short sentence and small fine in return for guilty pleas to both indictments.

FEARS LONG TERM.

If the council were to decide that Capone's best interest lay in a plea of not guilty and a vigorous fight against the indictments, he would be confronted by the likelihood of stiffer sentences in the event he was found guilty on both charges.

Also, it was pointed out, that guilty plea on the rum c[illegible] coupled with any admiss[illegible] Capone's part as to the e[illegible] the organization's illicit liqu[illegible] tivities, might lead to reindictme[illegible] under the Jones five and ten law, carrying a possible five-year sentence and $10,000 fine for each specific violation of the Volstead act.

While Capone and his advisers thus pondered the situation, the federal prosecutor's office was not without its worries. The chief one was what reply to make should an overture be made by Capone's lawyers to exchange pleas of guilty for recommendations of leniency by District Attorney Johnson.

FIGHTS LONG DELAY.

The prosecutor had this to consider: that not guilty pleas by Capone, even though he eventually should be found guilty on both charges, would result in lengthy and expensive litigation, with almost a certainty that he would not be behind prison bars for at least two years in any event. And there always would exist the possibility that he might beat both charges.

Although the federal authorities profess to have "iron-clad cases" against Capone, it was recalled today they also had issued statements that he and his organization was virtually insolvent and were desperately turning their hands to various activities in a vigorous attempt to obtain funds with which to replenish depleted coffers.

Contradiction of these statements was seen in word from Washington that Capone's attorneys had made "an offer of several million dollars" to settle his income tax difficulties. The government was reported to have turned down the offer, but the fact of its making is not indicative that poverty confronts Capone or his organization.

REVEAL AL'S RICHES.

Coupled with this report was another that only three months ago Capone bought $1,000,000 in Liberty bonds, that with the month he has bought $500,000 of the recent $800,000,000 treasury bond issue, and that he has established a large trust fund with a New York bank for the care and education of relatives.

Back of Capone's difficulties, it also was reported, was the decision of President Hoover that the Chicago dominator of rum activities must be eliminated from the American scene. To one or more members of the President's "medicine ball cabinet" he is reported to have given instructions that Capone and his organization must be disorganized.

HOOVER IS INTERESTED.

In connection with this story it was said that before every game of tossing the medicine ball the President would ask those charged with the task of putting Capone behind bars:

"Have you got Capone yet?"

And at the end of the round of exercise, the nation's chief executive would admonish them:

"Remember, I'm waiting for some action on Capone."

N. Y. City Grap

y Graphic

6 1931

JUN

SPRINGFIELD ILL JOURNAL
TUESDAY, JUNE 16, 1931.

CAPONE MAPS CAMPAIGN IN COURT FIGHT

Gangster To Plead Not Guilty To Income Tax And Liquor Charges.

5

ARRAIGNED TODAY

Chicago, June 15. (AP) — Alphonse Capone's opening move in his legal battle with the United States was still a matter of conjecture tonight.

Attorney William F. Waugh, one of the many who represent the gang chief, told newspapermen today that Capone would plead "not guilty" tomorrow when he is arraigned on indictments charging income tax evasion and liquor conspiracy.

A few hours later Waugh said Capone might not make a plea but demur to the indictments.

May Plead Guilt.

Reports that Capone would plead guilty, as have several of his followers indicted for income tax violations, persisted. These were strengthened by the concentration of government forces here for the arraignment which is usually a mere formality.

Elmer L. Irey, chief of the intelligence unit of the internal revenue bureau, came from Washington and went into conference with United States District Attorney George E. Q. Johnson and A. P. Madden, head of the Chicago office of the intelligence unit. Johnson said he would do his talking tomorrow before Federal Judge James H. Wilkerson but Irey told reporters the government had an "iron-clad case" against the notorious gangster.

Discuss Settlement.

"While the case was under investigation Capone's lawyers discussed the possibility of a settlement with the internal revenue bureau at Washington," Irey said. "No definite offers were made by the lawyers. The bureau refused to consider a compromise."

The outcome of other gangster income tax cases might tend to cause Capone to plead guilty, Madden pointed out. Of the gangsters who chose to fight the charge, Jack Guzik was given five years and Ralph Capone three, whereas Frank Nitti and Sam Guzik who plead guilty were sentenced to eighteen months and a year and a day respectively.

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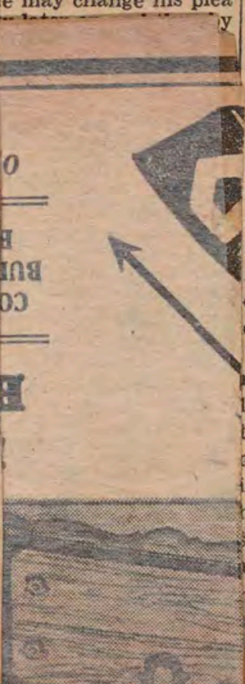

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Packard.

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r ave., E. E.
$700

620 8 Club Sedan, $1,650.

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By Government Investigators.

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Income Only Guessed At Because of High Price Of Protection.

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from the Chicago Tribune.

ICAGO, June 15.—If the $200,-
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during the last 10 years were
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deceased, late of Wilkinsburg, Pa.,
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Eleventh Ave., Homestead, Pa.

Wm. G. Bechman, Attorney, 1108 C
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administration on the estate of Floyd
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Ira Hurwick, Attorney, 808 Park Build
—Notice that letters of administration
the estate of Margaret R. Bishop, decea
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been granted, all persons indebted to
estate will make payment and those ha
claims will present them to Clarence
Bishop, Administrator, 3538 California
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Robert H. Leitch, Attorney, 1312 P
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testamentary on the estate of Emma Hunn
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those having claims will present them
The Forbes National Bank of Pittsburg
Executor, Fifth and Oakland Ave., Pitt
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Francis R. Harbison, Attorney, 415 Par
Bldg., Pittsburgh, Pa. Notice that letter
testamentary on the estate of Jane An
Readshaw, deceased, late of Brentwood Bor
ough, Pa., Allegheny County, having bee
granted, all persons indebted to said estat
will make payment and those having claim
will present them to George W. Readshaw
Executor, 379 New Castle Ave., Sharon, Pa

96 Sealed Proposals

OFFICE OF CONTROLLER OF ALLE-
GHENY COUNTY,
Pittsburgh, Pa., June 16, 1931.
PROPOSALS FOR BONDS.

Sealed proposals for the purchase of $3,-
000.00 Bridge Bonds, Series 19-E, $800,-
Road Bonds, Series E-5, $100,000.00

N. Y. City Grap

JUN 16 1931

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6 1931

JUN 1

SPRINGFIELD ILL JOURNAL
TUESDAY, JUNE 16, 1931.

CAPONE MAPS CAMPAIGN IN COURT FIGHT

Gangster To Plead Not Guilty To Income Tax And Liquor Charges.

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Al Capone at Bay in Chicago

Government Arraigns Gang Chief Today as Tax Dodger and Rum Plotter.

CHICAGO, June 16 (U. P.).—The Federal Government brought Al Capone to justice today to answer for ten years of crime. Prosecutors said it was Capone's last stand in his long criminal career.

The corpulent underworld leader dropped his customary indifference to law, forsook his character as invincible ruler of the gangs and rackets, and took on the appearance of a terrorized criminal.

It was the first time Capone ever had faced the probability of passing several years in prison. Government agents expressed confidence of conviction under the indictments which Capone must answer late today.

These indictments, representing months of dangerous work by Federal agents, charge that Capone

(1) Defrauded the Government of $215,000 in taxes on almost $1,000,000 income in five years. The highest possible penalty is thirty-two years in prison and an $80,000 fine.

(2) Directed a superbusiness in which brought in $2 0,000,000 over a ten-year period. Two years in prison and a $10,000 fine is the maximum penalty for that offense.

How He May Fight.

His alternatives in answering either of the indictments are to

(1) Disregard the advice of his high-priced lawyers, plead guilty and accept the penalty with the hope that the Government will be lenient.

(2). Plead not guilty, attempt negotiations for leniency over a period of five days, which is permitted by the law, and then change his plea of guilty.

(3). Plead not guilty and fight the case despite the Government's overwhelming evidence, a procedure which might delay the final reckoning for two years.

"Capone will be convicted," said George E. Q. Johnson, United States Attorney, who directed the gathering of the evidence. "We don't care whether he pleads guilty or not guilty, but we will grant no leniency to him for a guilty plea.

"Our evidence is complete. Not only are we sure of convicting Capone on bot hcharges, but we also are confident of sending sixty-eight other gangsters, named with him in the liquor conspiracy case, to prison.

Capone's chief attorney, William F. Waugh, announced that his client would plead not guilty. It was reported, however, that Waugh had made advances to the prosecution with a view of obtaining leniency for Capone in the event that he pleads guilty.

Crime Syndicate Backed Him.

Behind Capone lies an amazing crime syndicate, its trail marked with the blood of mo tims This crime

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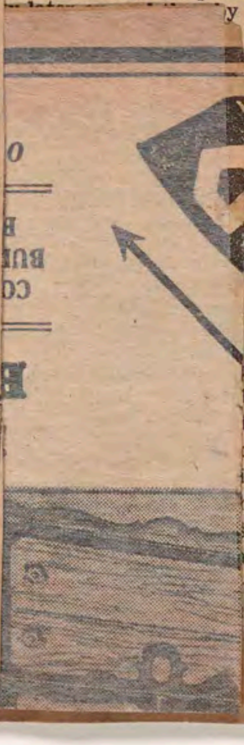

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Ira Hurwick, Attorney, 808 Park Build —Notice that letters of administration the estate of Margaret R. Bishop, decea late of Pittsburgh, Allegheny County, ha been granted, all persons indebted to estate will make payment and those ha claims will present them to Clarence Bishop, Administrator, 3538 California nue, Pittsburgh, Pa.

Robert H. Leitch, Attorney, 1312 P Bldg., Pittsburgh, Pa. Notice that lett testamentary on the estate of Emma Hunn well, deceased, late of Pittsburgh, Alleghe County, having been granted, all persons debted to said estate will make payment a those having claims will present them The Forbes National Bank of Pittsburg Executor, Fifth and Oakland Ave., Pitt burgh, Pa.

Francis R. Harbison, Attorney, 415 Par Bldg., Pittsburgh, Pa. Notice that letter testamentary on the estate of Jane An Readshaw, deceased, late of Brentwood Bor ough, Pa., Allegheny County, having bee granted, all persons indebted to said estat will make payment and those having claim will present them to George W. Readshaw Executor, 379 New Castle Ave., Sharon, Pa

96 Sealed Proposals

OFFICE OF CONTROLLER OF ALLEGHENY COUNTY,
Pittsburgh, Pa., June 16, 1931.
PROPOSALS FOR BONDS.
Sealed proposals for the purchase of $3,- 000.00 Bridge Bonds Series 19-E, $800,- Road Bonds Series B-5. $100,000.00

N. Y. C

SPRINGFIELD ILL JOURNAL
TUESDAY, JUNE 16, 1931.

CAPONE MAPS CAMPAIGN IN COURT FIGHT

5

Gangster To Plead Not Guilty To Income Tax And Liquor Charges.

ARRAIGNED TODAY

Chicago, June 15: (AP) — Alphonse Capone's opening move in his legal battle with the United States was still a matter of conjecture tonight.

Attorney William F. Waugh, one of the many who represent the gang chief, told newspapermen today that Capone would plead "not guilty" tomorrow when he is arraigned on indictments charging income tax evasion and liquor conspiracy.

A few hours later Waugh said Capone might not make a plea but demur to the indictments.

May Plead Guilt.

Reports that Capone would plead guilty, as have several of his followers indicted for income tax violations, persisted. These were strengthened by the concentration of government forces here for the arraignment which is usually a mere formality.

Elmer L. Irey, chief of the intelligence unit of the internal revenue bureau, came from Washington and went into conference with United States District Attorney George E. Q. Johnson and A. P. Madden, head of the Chicago office of the intelligence unit. Johnson said he would do his talking tomorrow before Federal Judge James H. Wilkerson but Irey told reporters the government had an "iron-clad case" against the notorious gangster.

Discuss Settlement.

"While the case was under investigation Capone's lawyers discussed the possibility of a settlement with the internal revenue bureau at Washington," Irey said. "No definite offers were made by the lawyers. The bureau refused to consider a compromise."

The outcome of other gangster income tax cases might tend to cause Capone to plead guilty, Madden pointed out. Of the gangsters who chose to fight the charge, Jack Guzik was given five years and Ralph Capone three, whereas Frank Nitti and Sam Guzik who plead guilty were sentenced to eighteen months and a year and a day respectively.

N. Y. City Graphic

JUN 16 1931

Government Trains Legal Cannon on Al

Chicago, June 16 (UP).—The Federal government move today to crush Alphonse (Scarface Al) Capone from the national picture.

An indictment against him sends him waddling into Federal Court today for arraignment on double-barreled charges designed to send him to prison for years to come.

Federal agents, working under orders from the highest officials in Washington, took over the job of wrecking Capone's underworld barony when local authorities admitted they were powerless to cope with his billion dollar army of machine gunners, bombers, torturers, brewers, distillers, accountants and attorneys.

And such a thorough piece of work did the United States officers do that they already have sent most of Capone's principal henchmen to prison.

And Such Beer!

As for Scarface Al himself, they have obtained his indictment on charges of having defrauded the government of $215,000 in income taxes, of flooding the Middle West with the singularly abominable beer bottled in his chain of breweries during the last decade.

So complete is the evidence that Scarface is thinking seriously of pleading guilty to both charges, despite announcement by William E. Waugh, chief of the Capone legal staff, that he will plead not guilty.

If he does plead not guilty, it was pointed out, he may change his plea to one of guilty later on and thereby gain enough time to put his topsy-turvey affairs into some sort of order before starting to Leavenworth Prison.

Should he decide to fight the case, he might stave off actual prison sentence for two years. But so air-tight is the evidence, according to United States District Attorney George E. Q. Johnson, that no jury would acquit him. If he receives the top sentence, he will serve thirty-two years on the income tax charges and two more years on the beer accusations. In addition he will have to pay a maximum total fine of $90,000.

AL CAPONE

Gang Demoralized

In any event, his fabulous reign as the world's worst criminal is over. His gang is demoralized, panic stricken. Most of his breweries have been wrecked. The boilers have been quenched in others. His chain of brothels have ceased operation, his gambling dens and his notorious cabarets have been boarded up.

The rest of Capone's story is history of the bloodiest kind. Murder after murder was traced to the gang which he gradually accumulated after the advent of prohibition. He soon was the undisputed overlord of all the liquor, vice and gambling traffic in Chicago.

At the height of his power his ss income was from $16,000,000 $20,000,000 a year.

JUN

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Packard.

'28 6 sedan, hney Motor Co., r ave., E. E. $700

BAR

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By Government Investigators.

0,000,000 FROM BEER

Income Only Guessed At Because of High Price Of Protection.

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JUN 16

PITTSBU

8

$700,000,000 WAS TAKEN IN BY CAPONE GANG IN DECADE

Figures Are Offered By Government Investigators.

$200,000,000 FROM BEER

Net Income Only Guessed At Because of High Price Of Protection.

Special to the Pittsburgh Post-Gazette from the Chicago Tribune.

CHICAGO, June 15.—If the $200,000,000 gross income Al Capone and his gang took in from the beer business during the last 10 years were laid end to end as silver dollars, statisticians estimate that three men, relieving each other in eight-hour shifts for 24 hours a day, would be employed six years, 73 days, 11 hours, nine minutes and 15 seconds in picking them up.

To compute the compound interest on the gang's total receipts, swelled to $700,000,000 in the 10-year period by income from whisky and alcohol, would give an adding machine a headache.

The estimates of the Capone gang's gross income for the 10-year period—$200,000,000 from beer and $500,000,000 from hard liquor—were made by Federal investigators following the indictment of Capone and 68 henchmen last Friday. What the net income of the gang has been none of the investigators would venture a guess, because of the high expense of "protection" and other illegal activities necessary to conduct the traffic.

Would Defend U. S. for Year.

The total gross income of the gang is almost one-tenth of the $7,516,461,719 in gold and silver produced in the United States in the last 140 years. The annual $20,000,000 from beer alone approximated the $21,000,000 in gold mined in Russia in 1928 and was nearly half of the $43,000,000 in gold mined in the United States in the same year.

The total would have paid the Federal expenditure for national defense in 1930 of $701,625,951. The Federal expenditure for law enforcement in 1930 was only $45,245,312. The beer income would have met most of the judicial, legislative and executive expenses of the Government for 1930. These were judicial, $11,299,752; legislative $13,910,748 and executive $283,877.

Had Capone held on to the entire income he might have dug in his pocket to pay almost all of the 1,910,922 war veterans who borrowed $730,000,000 from the Government on their bonuses.

More Than Postal Deficit.

Last March the records showed that the Government had loaned 146,486 farmers a total of $22,485,485. The gang's annual gross could have paid this sum and met the best part of the postal deficit of $50,000,000. The $70,000,000 annual "take" also is comparable to the $78,610,465 Federal income from postoffices in Illinois.

In the realm of international finance the $20,000,000 annual beer income would meet the principal part of Finland's debt to the United States of $9,000,000, plus Latvia's of $5,000,000, plus Lithuania's of $6,000,000. The 10 years' income from foaming brew would more than pay Poland's debt of $178,560,000. The $700,000,000 total income would leave a comfortable balance after paying the principal of Poland's debt and also that of Belgium, which is $417,780,000.

Officials declare the grand total of $700,000,000 would adequately enforce prohibition. United States Attorney George E. Q. Johnson, who brought the indictments against Capone on income tax evasion and liquor conspiracy, said the total would not begin to get Capone free

1931 61

US
ERS
PLEAS IN U. S. COURT

34 Years in Prison and Fine of $90,000 Is Possible Penalty.

MAY GET 30 MONTHS TERM

Sentence Deferred to June 30; "I Hope They're Satisfied Now," Says Defeated Gangster

By CHARLES SCHWARZ

Chicago, June 16.—(NANA)—A cheap Brooklyn roustabout of a decade ago, elevated through his continuous and successful violations of the prohibition law to a prime position in the nation's hoodlum hall of infamy, learned today that there is at least one power which his ill-gotten gains cannot subordinate.

The hoodlum is Alphonse Capone, scar-faced son of a Brooklyn barber. The power is the United States Government.

Humility was the keynote when Capone stood before Judge James H. Wilkerson in Federal District Court here this afternoon and mumbled scarcely audible phrases of "I plead guilty" or just the word "guilty" to the queries of assistant Government prosecutors, who read the several indictments charging him with conspiring to violate the national prohibition law as well as with evasion of the income tax laws.

Capone Nervous in Courtroom

And humility must have come hard for the squat, chubby gang chieftain, who has become so accustomed to grandiose authority. He made visible attempts to appear jovial and affable at the record two-minute hearing, but he obviously was nervous. When the formalities were over and the judge said he would pronounce sentence June 30, Capone hurried away gratefully, escorted by his police guard.

There was another humble man at the proceedings today, but he had no cause for embarrassment. He is George E. Q. Johnson, son of an Iowa farmer and now United States prosecutor for the Northern District of Illinois. For three years Federal Attorney Johnson has been waging the unrelentless battle that has been necessary to bring the authority of the Constitution of the United States face to face with the spurious authority of machine guns and corruption.

Mr. Johnson was more leisurely in his departure from the courtroom, but he was no more voluble than was Capone.

"Well, all I can say," he answered to the entreaties of newspapermen for a statement, "is that it was three years' hard work."

Hopes They're Satisfied Now

Capone merely had said: "I hope they're satisfied now."

The honor of opening the arraignment went to one of the quiet men who has been one of Mr. Johnson's chief assistants in the battle to break the hoodlum stranglehold on Chicago and the other large cities of the nation through prosecutions for income tax violations. He is Assistant Federal Attorney Dwight H. Green, white-haired veteran of the Government service, who is not so old as he appears. Mr. Green is one of the experts on income tax laws.

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after all the furore in the floor corridor of the Federal building occasioned by the court hearing had been stilled, Clerk Joseph O. Sullivan read from the calendar:

"The United States versus Alphonse Capone."

The bulky defendant, his lawyers and the Government counsel strode to the bar. Mr. Green moved to the centre. He began reading the legal terminology of the first indictment. Then, suddenly turning to Capone, he asked:

"Did you violate the United States income tax laws in 1924? How do you plead?"

Whispers 'I Plead Guilty'

The hoodlum's eyes dropped. He hesitated for a moment. He cleared his throat and then, in a whisper, said:

"I plead guilty."

That was the "tip off," the dramatic climax of the the hearing. It gave the definite hint of what was to follow.

Mr. Green read more indictments, charging income tax evasions for subsequent years up to 1929. Capon gradually shortened his plea to the single word, "guilty."

Then Assistant Federal Attorney Victor E. Larue took Mr. Green's position. He read the indictment charging Capon with conspiring with 68 other members of his "mob" to violate the prohibition laws in a 10-year pl that netted gross receipts of $200,000,000.

"How plead you?" Mr. Larue asked, stentoriously.

"I plead guilty," came the responsive whisper.

Defense Attorney Michael Ahern moved that sentence be deferred.

"June 30, at 2 p. m." said Judge Wilkerson.

It was all over.

Leaves on Freight Elevator

Down the freight elevator by which he had come went Capone and the Deputy United States Marshals who had been assigned to convoy him in and out of court. At the street he was met by city policemen, who bundled him into a taxicab and started him for the hideout where he will direct the last minute arrangements for the management of his liquor, vice and gambling syndicates in his absence. He is at liberty in $50,000 bail.

Some authorities say they expect Johnnie Torrio, wily hoodlum, who taught Capone how to direct a band of criminals, to return to the city and take control. Local wiseacres believe Frankie Diamond, elder brother of the youth who recently married Capone's "little sister," will be given command.

But, whatever happens, when sentence is pronounced June 30 it will

1931 61

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gulfed cities, fringed Chicago with vice resorts, murdered with seeming impunity, reared itself above the law of the nation's second largest city and the State of Illinois, and reaped a harvest of gold.

This super-crime cabal ramified from ocean to ocean. It was so highly publicized that college students voted Al Capone the best known man in the country. Travelers reported Capone the only American talked about in far places, where little outside news filtered.

Lurid, inaccurate biographies in European journals depicted Capone as a picturesque, jovial gangster, flinging money to the poor, attending the opera in formal attire and holding open house for all who cared to come. To those who knew the inside of his life, Capone was anything but what the blurbs set forth.

Now 52 years old, he is a leering, gaudily dressed criminal, living in continual fear that at the next corner he will be greeted by a burst of machine-gun bullets—the medicine he has used to "cure" so many of his enemies.

Almost a Legend.

To the average Chicagoan Capone has been a myth, just now beginning to be understood. Not one person in a thousand has en him to know who he was. Yet every Chicagoan who has had his trousers pressed, housed his automobile in a public garage, bought beer or liquor wagered in a dog race or belonged to certain labor unions has paid tribute in cash to Capone and his gang. At some time or another during the ten years of his reign Capone has controlled or extorted money from all those sources.

Today, however, with the Government smashing gang rule and spreading on the offical records the gigantic profits of the rackets, Chicago is beginning to realize how much of a hold Capone really had.

He came to Chicago ten years ago from Brooklyn, a gunman of the type called "rat" in the underworld. He came as the bodyguard for Big Jim Colosimo, who ruled the old "Levee" district along East Twenty-second street.

$50,000 Price on His Head.

His true character was revealed when he was arrested for driving while drunk and threatening an elderly chauffeur with whose taxicab his automobile collided.

Capone's advent as a "big shot" came with the murder of a small-fry hi-jacker, Joe Howard, who was slain in a saloon by two men, one of whom police said was C month later Al walked into a police station and asked: "What have you got on me?"

That occasion marked the real start of his career. His adeptness in convincing police that he was an "honest used-furniture dealer" gave to him the reputation of having brains.

Terrified or angered enemies made a standing offer of $50,000 reward to any gunman who would "bump him off." Capone hid behind hired terrorists. He was guarded at all times, even as he slept in a steel-walled hotel room. Never did he meet his enemies in the open.

6

CHICAGO ILL POST
WEDNESDAY, JUNE 17, 1931.

Raid Capone Haunts; Gangsters Are Seized

Believe Outlaw Mob Is Dead; All Face Prison Sentences.

Federal agents swept through Capone haunts in Chicago and the suburbs today, rounding up Al Capone's sixty-eight co-defendants in the liquor conspiracy case and striking a death blow at a gang weakened by the loss of its leader following his guilty pleas in federal court yesterday.

Acting under orders from Washington, the government men struck almost instantly. Late last night and early today the raiders started out, determined that all named in the indictment with Capone should be brought in. They will be arraigned immediately, and if, like their chief, they plead guilty, they will be sentenced and sent to prison.

If some of them elect to fight, they will be taken before A. P. Madden, chief of the internal revenue department's intelligence unit in Chicago, and questioned about their income tax.

Confident Gang Is Dead.

The government today was confident that it had killed the Capone gang. The same overwhelming evidence that convinced Capone himself of the futility of fighting, it was pointed out, applied to the sixty-eight co-defendants. It is expected that most, if not all, will choose to follow their chief and plead guilty. If they do not, the evidence is said to be so strong that conviction is a certainty.

"Scarface Al" himself capitulated completely. There had been rumors that he had "dealt" with the government, had won a compromise.

Assistant District Attorney Victor LaRue answered the rumor. No agreement has been made between Capone and the government. Capone threw himself compleetly on the mercy of the court, and the court has a free hand, unhampered by compromise agreements, in sentencing Capone. Overtures were made, LaRue said, but United States District Attorney George E. Q. Johnson refused to dicker.

Begin After Secret Conference.

Today's raids were begun after a secret conference of federal officials here, in accordance with telephoned instructions from Attorney General William D. Mitchell and Prohibition Director Amos W. W. Woodcock.

Forty federal men, headed by Marshal Hary Laubenheimer and Chie Deputy Edward King, were assigned to the raids. It was expected that Pat Roche and Lieut. William Blaul of the state's attorney's office would join in the raids today.

The raids are designed to catch the Capone men off their guard, before they have a chance to reorganize their gang.

Plan N. Y. Clean-up

WASHINGTON, June 17.—(AP)—Federal officials, spurred by a victory over Alphonse (Scarface Al) Capone, indicated definitely today they looked toward New York as the next major objective in their drive against the higher-ups of gangster crime.

From the justice department came word that federal agents, under orders from Washington, already were engaged in quiet investigation there.

Simultaneously indication was given at the treasury that an augmented force from the intelligence division of the internal revenue bureau—armed with the power to peer into bank accounts—would lend its strength in this section.

Although officials steadfastly refused to be quoted, it was not denied that some of the scores of agents who spent months in weaving piece by piece the fabric of charges to which Capone pleaded guilty in Chicago yesterday would transfer their activities to New York.

Concentrate on Higher-ups.

Prohibition Director Woodcock already has directed his force in the New York area to concentrate on the brains behind the prohibition law violations. He declared also for cooperation between the various government enforcement branches.

With the eastern metropolis, authoritative indication has been given that gangster activities in Detroit, Philadelphia, Cleveland and St. Louis would come in for some share of federal attention.

Much of the praise went to United States District Aattorney George E. Q. Johnson, whose office was the local brain center of the carefully mapped campaign.

Providence R. I. Bulletin

Greenville, S. C. Piedmont

JUN 17 193

GANG CHIEF, NER[illegible]ADS AND MEEK, WHISP[illegible] [illegible] IN [illegible]ICAGO

Continued from Page 1, Col. 1.

mean the elimination from the centre of the city's gang picture of Al Capone—at least until the end of the 1933 World's Fair.

Expected Profit from Fair.

Capone, it is known, has been looking to the fair as a golden era for a wide-open town, with himself in the role of dictator of operations for the amusement of the city's vistors. Now, if he is able to do any dictating at all, it will be by remote control from a Federal prison. There, in a cell, Capone will have time to ponder the dramatic event that today became an item of post-prohibition history. Perhaps he will get some satisfaction out of the importance of the group that assembled to hear his response to the reading of the indictments against him.

The entire membership of the grand jury that voted the indictments, headed by Foreman Hopewell L. Rogers, took seats in the courtroom. Then came Federal Attorney Johnson in a conservative gray business suit that was a startling contrast to the gay attire of Capone.

With Mr. Green and Mr. Larue were Assistant Federal Attorneys Jacob I. Grossman and Samuel G. Clawson, who also had worked on the income tax investigation. Then there was Elmer L. Irey, chief of the intelligence unit of the Internal Revenue Bureau, who had come here from Washington, and mild-mannered A. P. Madden, head of the local unit.

Successful Agents Also Present

In a corner, almost hidden from sight, stood Frank J. Wilson, ace of the corps of agents that built up the tax case, and youthful Elliott Ness, head of the special agents who found damning documentary evidence in raid after raid upon Capone stills and breweries.

The income tax indictments charge Capone with owing taxes of $215,080 on an income of $1,038,645 from 1924 to 1929. The beer charges accuse him and his henchmen of 5000 offences in conspiracy against the prohibition laws. Nineteen "overt acts" are listed.

Now the question stirring Chicago is the reaction that will follow among the 68 other defendants in the liquor conspiracy indictment. Most of these 68 lay claim to having been loyal members of the mob. It always has been said Capone would "go to the front" for them. Now, by the power the United States Government, he is shorn of his own aura

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COLUMBUS OHIO DISPATCH
WEDNESDAY, JUNE 17, 1931.

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DAYS OF FREEDOM FEW.

Capone's days of freedom we
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before Federal Judge Wilkerson, Ju
30, to be sentenced for evasion of i
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the national prohibition laws.
may be in jail in three weeks.

His pleading of guilty, yesterd
to all charges the United States h
against him was hailed in Chicago
being the end of his gang and
hold on this city.

His surrender implied the downf
of his entire gang, for it show
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The abdication of this king that ruled the underworld through a decade of murder and violence was accomplished in a short three minutes of co
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NEW YORK SUN.
1. JUNE

Federal Under-Cover Agents Are Pushing Drive on Rum and Tax Rings.

MEDALIE PREDICTS RESULTS

Washington Confirms a Decision, Backed by Hoover, to Jail Defiers of Law.

Forty of the Federal agents who worked up the cases in Chicago against Scarface Al Capone which led to his plea of guilty yesterday, have been in New York for six weeks gathering evidence against New York gangsters of the Capone type. United States Attorney George Z. Medalie said today that satisfactory progress was being made and he expects that indictments will be found soon as the first results of the New York campaign.

Mr. Medalie said he did not know whether the forty agents on the ground wil be joined by other agents released from Chicago by the conclusion of the Capone case. Those who came here six weeks ago reported to and are working under the direction of Hugh McQuillan, special agent in charge of the Bureau of Investigation of the Treasury Department for the Southern New York State District.

"The round-up of Capone and the procurement of evidence which was so conclusive that he was forced to plead guilty was a great piece of work," said Mr. Medalie. "We hope it will be repeated here on certain subjects who have been under investigation."

"The inquiry involves suspected evasion of income tax payments, as well as important beer-running and bootlegging activities which have led to numerous assassinations in recent years. Mr. McQuillan's long familiarity with the New York field enabled him to start the new investigators at work without delay."

WASHINGTON, June 17 (A. P.).—Federal officials, spurred by a victory over Alphonse (Scarface Al) Capone, indicated definitely today that they looked toward New York as the next major objective in their campaign against the higher-ups of gangster crime. From the Justice Department came word that Federal agents, under orders from Washington, already are engaged in quiet investigation there.

Simultaneously indications were given at the Treasury that an augmented force from the intelligence division of the Internal Revenue Bureau—with the power to peer into bank accounts—will lend its strength in this section.

Although officials refused steadfastly to be quoted, it was not denied that some of the scores of agents who passed months in weaving, piece by piece, the fabric of charges to which Capone pleaded guilty in Chicago yesterday, would transfer their activities to New York.

Prohibition Director Woodcock already has directed his force in the New York area to concentrate on the brains behind prohibition law violations. He said he favored also co-operation among various Government enforcement branches.

Other Cities Investigated.

Along with New York indications have been given that gangster activities in Detroit, Philadelphia, Cleveland and St. Louis will come in for some share of Federal attention.

Whether any of these cities will experience the elaborate, coordinated setups of forces that featured the drive against Capone could not be learned.

In the general congratulatory air that prevailed in the Justice and Treasury Departments over the surrender of the Chicago gang leader on charges of income tax and prohibition law violations, officials were

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FEDERAL ROUNDUP OF GANGS ON HERE

Continued from First Page.

willing to talk, privately, however, of some of the details of the case against him.

Much of the praise went to United States Attorney George E. Q. Johnson, whose office was the local brain center of the carefully mapped campaign. There were congratulations also for William J. Froelich, special assistant to the Attorney-General, who was sent from the capital to act as "coordinator" for the various Federal forces, and for Eliot Ness, twenty-eight-year-old University of Chicago graduate, who was designated to lead the small force of special agents assigned exclusively to investigate Capone.

Cooperation Did It.

One official attributed the success of the Government's case to a masterpiece of fitting together apparently insignificant details.

"Instance after instance was uncovered, many apparently unrelated, in which the evidence would not have been strong enough to get a conviction," he said. "It was the linking up and fitting together of these small points that wove a net Capone could not escape."

In accomplishing this, it was said, every point uncovered by the internal revenue force was turned into a common source and made available for the prohibition agents while they, together with the narcotic and immigration agents at work, turned over all the data they obtained.

Between five and fifteen special prohibition agents passed almost a year in building up their case, while at times a force of fifty internal revenue agents were in Chicago.

In addition, one high official here kept almost constantly in touch with developments in Chicago and helped, direct, from his desk in the Justice Department, the final closing of the case.

The methods followed in uncovering Capone's widespread activities, officials said, "included every known means," from investigating the bank accounts of those suspected to tapping telephone wires, cultivating gangster acquaintances, and trailing individuals and beer trucks.

Capone Going to Prison.

CHICAGO, June 17 (A. P.).—Al Capone, the little Brooklyn hoodlum who came to Chicago and made bad, is going to prison because he peddled beer and didn't pay his income tax. The man with the siniste scar [illegible] cheek wi l be sen nced

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bank, and a real estate dealer in Queens for thirty-five years, denied today before Assistant Attorney-General Paul J. McCauley that he had attempted to sell shares of the New York City Airport, Inc., to postal employees serving under him.

The hearings, to determine whether $4,500,000 worth of stock in the company was sold under fraudulent representations, are being held in the State Office Building before Mr. McCauley, with Deputy Attorneys-General Lazarus Joseph and Jacob Gruber conducting the questioning.

COLUMBUS OHIO DISPATCH
WEDNESDAY, JUNE 17, 1931.

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Al Capo Pleads Guilty; ngsters Seek King

Vice Chieftain Confesses Tax Evasion, Racket Charges; Confronted by 34 Years Behind Bars

Maps Comeback

Report Underworld Czar Planning New Drive on Return From Prison

(Special to The Chronicle)

CHICAGO, June 16—Because hard times have hit the beer racket and not wishing to stand the expense of extended litigation, Al Capone today pleaded guilty to 5000 crimes against the prohibition laws.

He admitted, at the same time, that he had failed to share his profits, in the form of income taxes, with Uncle Sam. His pleas were made when he was arraigned before Federal Judge James H. Wilkerson.

PRISON NOW CERTAINTY

Thereby the world's most notorious gangster became a certainty for Leavenworth Penitentiary, and United States Attorney George E. Q. Johnson's assault on the Chicago politico-criminal alliance achieved its greatest triumph.

The sentencing of Capone on his pleas of guilty to three indictments, two charging evasion of income taxes and one charging conspiracy with sixty-eight of his men to violate the dry laws, was deferred until June 30 by Judge Wilkerson on motion of District Attorney Johnson and Defense Attorney Michael Ahern.

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COLUMBUS OHIO DISPATCH
WEDNESDAY, JUNE 17, 1931.

Capone Conviction Draws Praise Of Political Chiefs

Drys Express Pleasure; Means Abdication As Gang Leader.

WASHINGTON, JUNE 17.—(INS).—The conviction of Al Capone, gangster chieftain, on tax evasion charges, as well as for conspiracy to violate the prohibition law, today drew praise on Capitol Hill for the federal government's drive against bootleggers and racketeers.

Congressional leaders voiced hearty approval of the campaign to prosecute gangsters for failing to pay income taxes, whenever evidence is lacking to convict them on other charges.

DRYS ARE PLEASED

The drys were particularly happy over the outcome of the Capone case, since they regarded it as removing the Chicago vice overlord from the crime picture.

The government was urged, too, by Senator King (D) of Utah, a rather liberal wet, to use income tax prosecutions as a means of breaking up bootleg rings and racketeering gangs. He declared the campaign would tend to wipe out criminal gangs by confining their leaders to federal jails.

"I have always maintained, it should be a part of prohibition enforcement to discover who gets the large receipts of the illicit liquor traffic," said King. "Then, the department of justice should co-operate with the tax collecting agencies to see whether these gangsters have paid their income taxes. I have advocated this plan for years as a means of stamping out lawlessness by jailing the leaders."

DAYS OF FREEDOM FEW.

Capone's days of freedom were numbered today, and numbered exceedingly small, as he is to appear before Federal Judge Wilkerson, June 30, to be sentenced for evasion of income tax payments to the government and for conspiracy to violate the national prohibition laws. He may be in jail in three weeks.

His pleading of guilty, yesterday, to all charges the United States had against him was hailed in Chicago as being the end of his gang and its hold on this city.

His surrender implied the downfall of his entire gang, for it showed that he could not beat the same evidence which the government has against 68 defendants in the same beer conspiracy.

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U.S. Fortunate In Leadership, Says Speaker

MARION, Ohio, June 16 (AP)—"The office of President of the Unit

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AKRON OHIO TIMES Press
WEDNESDAY, JUNE 17, 1931.

Capone Whimpers, See End of Crime

CITY WATCHES GRIP OF GANG PRIED LOOSE

Chief Whispers Guilty as U. S. Evidence is Recited to Him

FACES LONG PEN TERM

Weaknes of Aspirants to Al's Throne May Spell Doom

Special to The Times-Press

CHICAGO, June 17.—With "Scarface Al" Capone facing an almost inevitable prison sentence and a dearth of candidates to succeed him in power, Chicago today felt the strangling hand of the underworld loosening its grip.

For 11 years those steely fingers have been at the throat of the nation's second city.

For 1' years Al Capone has been more of a myth than a man.

For 11 years Chicago has paid triubute into the bulging coffers of this pasty-faced, thick-lipped super-rat, trembled at the staccato of the machine gun, cringed at the thunder of the "pineapple."

Real Myth Now

Tuesday the myth was shattered.

Tuesday the "invincible" Capone trembled in his butter-colored suit, whimpered "guilty" seven times as counts, ranging from conspiracy to income tax fraud, were read in Federal Court.

And today Chicago's once defiant underworld trembles in its expensive, neatly polished boots. For 68 other gangsters have been indicted and the case against them becomes stronger with Capone's admission of guilt.

On June 30 the nation's most amazing and vicious underworld figure will face Federal Judge James H. Wilkerson and hear his fate. He faces a maximum of 34 years in prison and $90,000 fine.

The underworld czar, the tough guy, the modern version of the bogey man has found himself bested by a former Iowa farm boy.

For it was Dist. Atty. George E. Q. Johnson, brought up in the country, who set himself to accomplish the impossible—to send Al Capone to prison.

U. S. Steps In

Realizing the impossibility of collecting evidence sufficient to convict this legendary figure thru routine channels, Johnson called for aid from the federal government.

Skilled operatives, fearing neither man, devil nor Capone, took up the work. For two years they trailed down evidence. For two years they looked into this little matter of Al Capone's wealth.

And then, directed by Dist. Atty. Johnson, those operatives laid their facts before the Federal Grand Jury.

Al Capone was indicted.

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Kansas City, Mo. Star
JUNE 17, 1931 J19

PRESS FIGHT ON CAPONE

OFFICERS SEEK TO COMPLETE BLOW AT BOOZE DYNASTY.

Chicago Resorts Are Searched for Sixty-Eight Indicted With Chief —Guesses on Hoodlum's Future Begin.

CHICAGO, June 17.—Hoping to take advantage of the effects of Al Capone's capitulation to the United States, federal officers, under orders from Washington, were searching the haunts of gangsters today, looking for the sixty-eight defendants indicted with Capone in the 10-year liquor conspiracy.

This move was decided upon at a secret conference at which District Attorney George E. Q. Johnson telephoned Attorney General William D. Mitchell, and W. E. Bennett, chief of the special agents, conversed with Amos W. W. Woodcock, prohibition director.

Forty federal agents searched hotels, night clubs and hideouts in Cicero, Chicago Heights and other suburbs.

EYE ON INCOME TAX, TOO.

It is planned to arraign any of the codefendants captured immediately. If they plead guilty, they will be sent to prison. If not, they will be questioned by A. P. Madden, chief of the internal revenue department's intelligence unit here, on their income tax.

Three explanations were heard today to account for the end of the dynasty of Al Capone.

One was that he had suffered financial reverses; that valuable stills and breweries had been destroyed; that the law had become too "hot"; and that it was getting too expensive to carry on the warfare against the federal government.

Another explanation was that Capone, feeling the government's case against him was unbeatable, decided on pleas of guilty in the belief such action would result in mitigation of his sentence.

SEE HOPE OF RETURN.

Some officials suggested, however, that Capone believed a short imprisonment at Leavenworth penitentiary would not be too severe an inconvenience at this time; that he could serve his sentence during a period when business was none too good, and win release at a time business had fully recovered, and take his place again as the overlord of liquor traffic in Chicago. Several authorities, however, believe that with Capone gone to prison and with the federal government pressing its warfare, the gang will cease to exist as an entity.

A maximum sentence of thirty-four years imprisonment and fines totaling $90,000 are possible. The general prediction, however, was that Capone's sentence, in view of his plea of guilty, would be approximately five years, and perhaps less.

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CHICAGO ILL TRIBUNE
WEDNESDAY, JUNE 17, 1931.

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CHIEF OF GANGS, AT END OF ROPE, PLEADS GUILTY

.S. Judge Will Pass Sentence June 30.

(Pictures on back page.)

Al Capone yesterday pleaded guilty to 5,000 crimes against the prohibition laws and admitted at the same time that he had failed to share his profits, in the form of income taxes, with Uncle Sam. His pleas were made when he was arraigned before Federal Judge James H. Wilkerson.

Thereby the world's most notorious gangster became a certainty for Leavenworth penitentiary, probably within three weeks, and United States Attorney George E. Q. Johnson's assault on the Chicago politico-criminal alliance achieved its greatest triumph.

The abject refusal of Capone to fight against the mountain of evidence piled up by the government was regarded as his farewell to power and erhaps the actual breaking up of the tire criminal business organization e and his predecessors had built up in ten years of ruthless effort. The same evidence that could be used in his case can also be used to convict his allies, it was pointed out. Some of his leading lieutenants have already felt the lash of federal law.

To Be Sentenced on June 30.

The sentencing of Capone on his pleas of guilty to three indictments, two charging evasion of income taxes and one charging conspiracy with 68 of his men to violate the dry laws, was deferred until 2 p. m. of June 30 by Judge Wilkerson on motion of District Attorney Johnson and Defense Attorney Michael Ahern.

Consid ring the law in the cases, ma [illegible] ium of two years that may e imposed for conspiracy, the precedents for punishment in income tax cases, and the fact that Capone is pleading guilty, it was regarded as a likelihood that Capone will be sentenced to a term ranging between two and four years in the penitentiary.

The highest income tax sentence on a plea of guilty so far imposed in the federal courts in Chicago is eighteen months.

Smiles as He Enters Court.

Capone entered Judge Wilkerson's courtroom yesterday at five minutes before 2 o'clock. He was accompanied by his lawyers, a squad of police detectives headed by Lieut. William McCarthy, and a single bodyguard, Philip D'Andrea, one of his men.

The gang chief beamed with apparent self-assurance as he seated himself at counsel's table. He wore a bilious sulphur colored suit that contrasted sharply with the somber apparel of the attorneys surrounding him.

Cl [illegible] Joseph O'Sullivan arose and [illegible] 'Case 23,852, United States [illegible] onse Capone," repeating [illegible] ases 2 [illegible] and [illegible] court yesterday, but it was disclosed that a detailed statement of the gang's activities will be made by Mr. Johnson when the chief public enemy comes up for sentence on June 30.

This evidence will include 5,000 offenses against the dry laws over a ten year period in which Capone's beer business is alleged to have brought in gross receipts of $200,000,000—said by government investigators to be the greatest prohibition conspiracy ever to be named in an indictment. The evidence will also include the alleged evasion of $215,000 in taxes on a total income of $1,038,000 for the years 1924 to 1929, inclusive.

The possible maximum sentence on the indictments to which Capone pleaded guilty is 32 years in the penitentiary for the income tax charges and a fine of $80,000, and two years in the penitentiary and a fine of $10,000 on the beer conspiracy charges.

Hopes for Concurrent Sentences.

However, the highest income tax sentence of record is that received by Jack Guzik, Capone business manager, and that was five years and a day. Guzik was convicted by a jury. Capone, it was reported, is hopeful that the sentences on his income tax and beer pleas will be made to run concurrently.

At any rate, Capone will be sent away, an objective of more than two years standing on the part of Mr. Johnson, agents of the intelligence unit under A. P. Madden, the special prohibition agents, and Washington authorities of the treasury and justice departments.

President Hoover, who acclaimed the government's income tax drive here, is reported to have been insistent on wiping out Capone and his gang.

Reasons for Guilty Pleas.

Capone would not discuss his decision to plead guilty with newspaper men, nor would his attorneys, Mr. Ahern and Leopold B. Melnick, but several reasons were ascribed for the move by federal officials. One of these is that Capone, though not broke, has experienced such financial reverses in the last year that he did not wish to stand the expense of a jury trial.

High bonds and high attorney's fees have already been paid by Capone and his leading lieutenants in the federal courts, it was pointed out, and the prohibition agents have been wrecking his finest breweries and stills.

Aside from the expense of a trial and probable appeal, the federal officials declared that Capone availed himself of the plea of guilty in an effort to obtain mitigation of sentence, because he feared to face a jury. The government has not lost a major prosecution since United States Attorney Johnson assumed office, his motto having been: "Every indictment a conviction."

Reported Planning Comeback.

There was a third reputed motive for the plea of guilty. This was that Capone, feeling himself young at 32, believes that he can still come back from Leavenworth and assume his gang leadership after he has served a term of a few years. The depression will be over, the gangster is reported to have reasoned, and there will be a letup in the present crusade of law enforcement. If he went to trial and then carried his case to the Supreme court, he might be sent away just when times begin to pick up, is the way his reasoning is reported to have run.

When Capone goes away to Leavenworth, which is expected to be soon after he is sentenced on June 30, it will be his second experience in imprisonment. Two years ago he served nine months with his bodyguard, Frank Rio, in a Philadelphia jail for gun toting.

Capone will find in Leavenworth the former chancellor of his exchequer, Frank Nitti, who went down in January to serve an eighteen month term for tax evasion. He will also find Sam Guzik, one of his retainers who took care of slot machines and booze on the near south side.

Brother May Go with Him.

Capone's brother, Ralph, may go down with him or join him a short time later. Ralph's appeal from a three year sentence for tax fraud is under advisement with the United States Circuit Court of Appeals, and a decision is expected daily. There is also a good chance that Jack Guzik will join Capone before he has been grown accustomed to penitentiary fare. Guzik's appeal is also pending before the higher court.

Mr. Johnson was accompanied by Assistant Prosecutors Samuel G. Clawson and Jacob I. Grossman, besides Prosecutors Green and La Rue and by William J. Froehlich, special assistant attorney general, who has worked with the Chicago prosecutors and special prohibition agents in developing the beer conspiracy case.

Mr. Froelich telephoned to the attorney general's office at Washington immediately after Capone had pleaded guilty and informed Assistant United States Attorney General G. A. Youngquist of the successful termination of the case which Washington authorities had followed eagerly.

District Attorney Johnson will go to Springfield today to attend the rededication of Lincoln's tomb, and while there probably will be congratulated by President Hoover for proving the fallacy of a prediction which has been made for a long time—"The government will never get Capone."

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Throng Jams U. S. Court as G

'GUILTY!' AL REPLIES CALMLY, PLEADING TO 5,000 CRIMES

Expect Same Evidence Will Send Sixty-eight Henchmen to Prison; Johnson to Tell Hoover Today 'We Got Him'

ly interchange between the two camps as Prosecutor Jacob I. Grossman, who secured Capone's recent sentence of six months for contempt of court, chatted with Al and his chief attorney, Michael Ahern.

Then Judge Wilkerson sauntered in and the big courtroom crowd indifferently stood up on the bailiff's rap and then relapsed again.

The clerk called numbers of three cases against Capone and the government staff moved forward with Capone and his attorneys, Ahern and Leopold Melnick.

Mr. Green read off the first tax indictment, charging Al with evasion of payment in 1924. The clerk called for the plea.

"Guilty," Capone answered.

The tax prosecutor followed with the second income tax charge, specifying tax evasion each year from 1925 to 1929, and wilful failure to make a return in 1928 and 1929.

Again Capone responded "Guilty."

Mr. La Rue then stepped up and read the liquor conspiracy charge and the "Scarface" repeated his plea of guilty.

The gangster's voice showed neither indifference or resentment.

Shackles Off

But in those quiet few minutes something incredible was happening. Chicago was throwing off the shackles of a man and an organization that has represented lawlessness, viciousness and a flout to its self-respect for ten long years.

When Al arrived the courtroom was jammed. The hallways were filled, a barrier guarded by deputies stretched across the corridor to the court to keep the crowds out.

As soon as the brief hearing ended, the throng in the court poured out and handed along the news of Al's pl[illegible] Up the eight

only his failure to pay income taxes and the beer division only of his syndicate operations.

There is still possibility that he may be caught for his traffic in alcohol, his vice and gambling operations, and other allied phases of his activity.

Capone, it is said, wishes to delay the beginning of his sentence as long as possible because his son, Alphonse Jr., is ill with mastoid trouble.

In the courtroom were the government staff men who built the successful prosecution.

There was Elmer L. Irey, chief of the special intelligence unit of the Bureau of Internal Revenue; A. P. Madden, chief of the local intelligence unit; Nels Tessem, income tax expert; Frank J. Wilson, special agent from Washington, who took charge of the Capone income investigation here, and Clarence Converse, assistant to Madden, who followed a long and devious trail in establishing Al's assets.

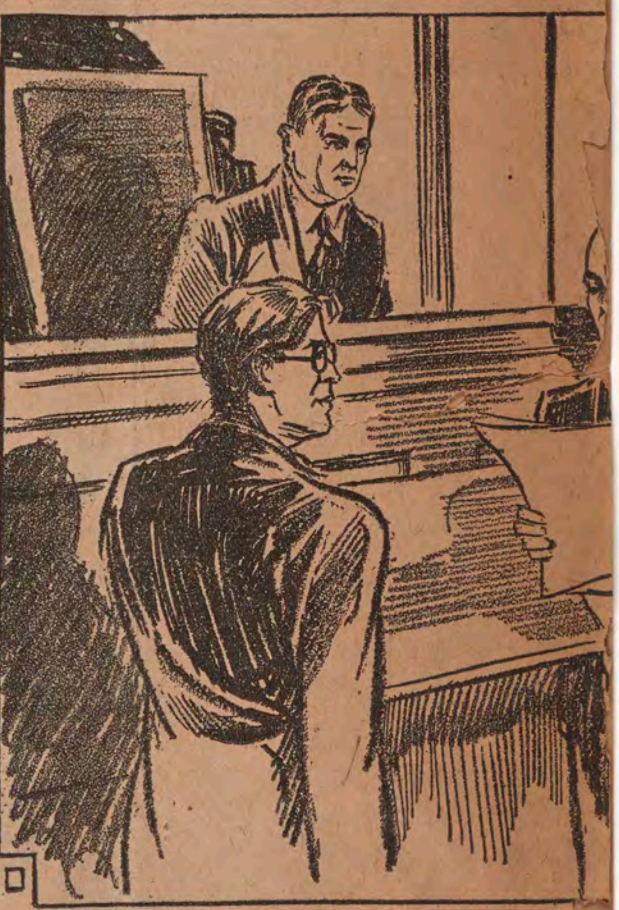
Also present was Eliot Ness, the 28-year-old University of Chicago graduate, and his "untouchables," the squad of six prohibition agents whose destructive raids and continual harassment piled up the liquor conspiracy evidence and brought the downfall of Al.

Two federal grand juries also had a hand in Capone's undoing, the March grand jury, which returned the income tax indictment, and the June jury, which indicted him and his sixty-eight accomplices in the liquor conspiracy.

Next!

The next step of the government staff will be to round up the sixty-eight members of the gang, 90 per cent of whom have been convicted previously for violating

CRIME JOUR



JUSTICE AT LAST—A Herald and Examiner staff artist's sketch showing "Scarface Al" Capone at the bar of justice finally answering to his crimes. He is pleading guilty to 5,000 liquor law violations in the last ten

1931 65

....A PAPER FOR PEOPLE WHO THINK WEDNESDAY, JUNE 17, 1931

...g Czar Abdicates in 3-Minute Hearing

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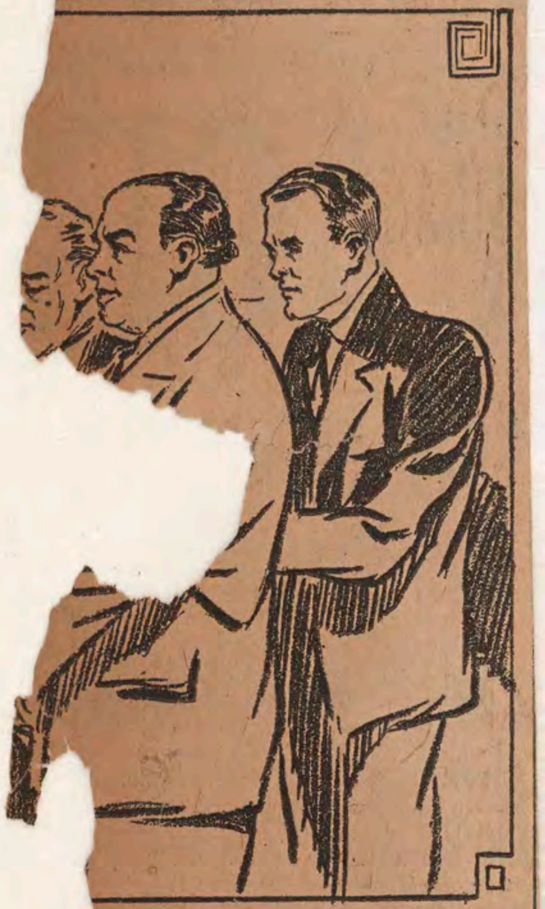


...d to evading income taxes. On the ... is Judge James H. Wilkerson. Left ...ght: District Attorney George E. Q. ...son, Assistant District Attorney Dwight ...reen, Capone, in foreground, and De...e Attorney Michael Ahern.

Government Undercover Men Complete List of New York Public Enemies.

The power of the United States Government which swept Chicago's insolent Public Enemy No. 1—Al Capone—into signing his own prison warrant, has been loosed on the gangs and mobs, the gunmen and gorillas, the beer and booze bullies, the killers and sluggers of New York.

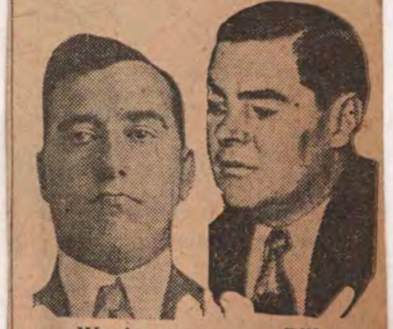
Like a swift, silent shift of an army in the night, the United States Government has whisked from Chicago to New York the prohibition agents, Revenue agents, tax agents, who put Capone in such a tangled net of blood, theft, thuggery and lies that he confessed himself beaten and now awaits his 32-year sentence in the penitentiary.

These new forces are "the untouchables"—the bribe-proof boys who get their man for the United States Government. They have slipped into New York to put the finishing touches on a case that is ready for the last move—the "finger" work that is going to put out of business here New York's Public Enemies, from No. 1 down to the millionth whose scoffery of the Government—in print and by word of mouth—has given aid and comfort to those enemies.

LIST KEPT SECRET.

Who these "Public Enemies" of New York are, the Federal agents at work here and in Chicago and at headquarters in Washington will not say.

But the beer and booze barons and kings in the headlines are as well known here as Capone was in Chicago; and there is more than one Federal agent who is willing to put men like Ownie Madden and Larry Fay and Dutch Schultz



Waxie Gordon — Bill Duffy

Waxey Gordon, Billy Duffy and Ciro Terranova atop Al Capone when it comes to "masterminding" the underworld.

Washington advices last night made it plain the Federal agents here will employ the methods used

Continued from Page 6

N.Y. DAILY

Scored for Government Over Capone

(Mirror)

Here are the men whose work as evidence-getters in the Government's case against Al Capone forced the Chicago badman to plead guilty to income tax law evasion and violations of prohibition law. Left to right, seated: Elmer Irey, Chief of Intelligence Bureau; George Johnson, U. S. District Attorney; A. P. Madden, Bureau of Internal Revenue, and Frank Wilson (rear), special agent

U. S. Drive on Gangsters Here Under Full Swing Secretly

Continued from Page 2

against public enemies in Chicago: Double attacks, in the form of charges of income tax evasion and Prohibition Law violation.

The dispatches said, moreover, that this same form of attack would be used in other cities besides New York—notably in Detroit, St. Louis, Cleveland and Philadelphia.

GOVERNMENT SUPREME.

The Government at Washington was encouraged by the Capone victory because the authorities felt that the "win" in Chicago would go far toward ending the "defeatist" attitude of public and press toward the gangsters' defiance of the United States. It was intimated that many persons would take heart anew.

George Z. Medalie, Federal Attorney, said yesterday that every notable gangster's bank and brokerage accounts in New York have been under scrutiny of Government's agents.

Mr. Medalie refrained from specifying any gangsters he may have had in mind. At the same time, he

Larry Fay — Dutch Schultz

indicated that in New York the **Government would have even more formidable public enemies to conquor than it had in Chicago.**

Jack Diamond, whose power some officials believe already has been broken by his indictments here and in Greene County, did not loom so large in the opinion of some observers of the racket scene here in New York.

UNDER WAY FOR WEEKS.

The first step in the big battle which the Government now wages is understood to be a survey of the battlefield. This has been under way here for weeks.

First the agents learn for themselves, checking all the tips and facts and leads they can get, who are the real "big shots." Then they begin gathering information about the Big Shots' income, and the sources thereof. Then they check income tax return (if any!) and bank and brokerage accounts.

The whole campaign is "pointed"—like a football team's training season for its big game—at a smash with a doubleweight club—dry law and tax law.

Mr. Medalie said last night:

"The round-up of Capone was

Owney Madden — Cero Terranova

a great piece of work. We hope it will be repeated here on certain subjects who have been under investigation. The inquiry involves suspected evasion of income tax payments, as well as important beer-running and bootlegging activities which have led to numerous assassinations in recent years."

It was reported here last night that Hugh McQuillan, special agent of the Treasury Department, is in general charge of the clean-up.

FAR MORE CUNNING.

Neither Mr. McQuillan nor Mr. Medalie apparently had any "illusions" as to the difficulty of the job. The New York mob and gang rulers are said to employ strategies that seemed to be above the Capone level of intelligence.

Fictitious names for bank accounts are a commonplace: what the New York gangs have gone into was the organization of incorporated companies, fake corporations, hoards of cash in private vaults, tactically distributed caches of money.

Beside Jack Diamond, indicted here, four so-called "big shots" in various lines await trial here for tax evasion.

They are Manny Kessler, "King of Bootleggers"; James J. Quinlivan, former police Vice Squad "framer"; Jose E. Miro, alleged "policy king," and Albert H. Carlisle, a stock broker and promoter.

NEW YORK WORLD
NEW YO[illegible]ELEGRAM
19 JUNE

FT WAYNE IND NEWS SENTINEL
THURSDAY, JUNE 1[illegible], 1931.

ONSOLIDATED

NEMESIS OF GANGSTERS MAPS EXTENDED CAMPAIGN ON NEW YORK RACKETEERS

Elmer L. Irey, Head of Internal Revenue Bureau's Intelligence Unit, Has 100 Picked Aids—They Expect Year's Fight.

By RAY TUCKER,
World-Telegram Staff Correspondent.

WASHINGTON, June 19.—Elmer Lincoln Irey, who headed the federal investigators in the drive that will send Al Capone to jail, arrived here today from Chicago for final conferences before taking personal charge of the income tax offensive against New York gangsters. He probably will go to New York tomorrow or Monday.

Although prohibition and income tax agents have been scrutinizing the returns of New York bootleggers and racketeers for three months, it probably will be some time before prosecution can begin. It took a year for Irey and his men to obtain evidence against the Capone gang and they expect a more difficult task in New York because of special conditions there. There is no overlord or organized system of racketeering there like that in Chicago

Deposits in Assumed Names.

Besides tracing sources of New York gangsters' revenue throug surveillance of bootleggers, narcoti violators and other racketeers, Irey' men probably will circularize bank and brokerage houses for evidenc of deposits of ill-gotten funds. I many instances these have bee found to be in assumed names.

The chief of the intelligence uni of the Bureau of Internal Revenu is patient and painstaking, but h gets his man.

His Washington unit has com pleted a case in Baltimore whic gave him as much satisfaction a his men's triumph over Capone For years they had been on th trail of an alleged bootlegger, bu they could never get sufficient evidence to lay hands on him. H died a year ago, just as they though they had him.

After a year's investigation b Everett Partridge, one of Irey's bes men, hidden deposits by the offende were discovered in New York banks They had been concealed so wel that his attorney for twenty years knew nothing of them. Now Partridge has recommended an income tax assessment of $300,000 against the estate.

Was on "Sewer King's" Case.

~~Although the Capone capture was~~ dramatic, Irey's unit has been performing the same sort of work ever since it was organized by him in 1919. The first important bootleg case in New York was against a group headed by one Dunnigan. It was made through tracing income tax returns. The indictment against Phillips, the late sewer king of Queens County, was built up in the same way.

None of these cases, however, involved so much search and danger as the Capone venture. During one of his visits to Chicago Irey got a tip that the gangsters had imported five gunmen from New York to "bump off" United States Attorney George Johnstone, Chief of Detectives ~~Pat Roach and~~ Frank Wilson, an internal revenue agent. Wilson refused to be taken off the case, however.

Irey has 100 trained investigators, of whom sixty are lawyers and graduates of universities. They have the same spirit as the Canadian Mounted, even though they deal with the underworld or cities rather than the bad men of the open and snowy places. His assistants attribute the morale of the

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r~~ney, today reported~~ to President cover in Springfield on the law's mashing victory over Public Enemy c. 1.

Mr. Johnson and the President, it as understood, discussed what suggestion the government might make Judge James H. Wilkerson, who impose sentence on the banished ang lord on June 30.

In Washington it has been an open secret that Mr. Hoover was intent on bringing Capone to justice and in wiping out the horrible example in Chicago of what prohibition has created. It has been known that he put pressure on Attorney General Mitchell, who announced after the conviction of Ralph Capone on income tax law violation some months ago, that "all the agencies of my department have been concentrated on cleaning up gangs in Chicago."

Those who are inclined to the belief that someone high up at Washington will offer suggestions as to the Capone sentence point out that the federal judge who pronounced the penalties on the Rondout mail robbers eight years ago followed explicity the advice of the attorney general.

If Attorney General Mitchell makes suggestions as to Capone these same suggestions may come direct from the President, some observers believe.

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NEW YORK WORL
NEW YO TELEGRA
18 JUNE

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SOUTHWEST DIVISION
KANSAS CITY

Crime

Kansas City, Mo. Times
JUNE 18, 1931

CAPONE GANG IN FLIGHT.

Few Found in Old Haunts—Johnson and Hoover Confer.

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(By The Star's Leased Wire Service.)

CHICAGO, June 17.—Deputy United States marshals, following pleas of guilty by "Scarface" Al Capone, last night and today swept through Capone gang haunts in a hunt for Capone's codefendants in the beer conspiracy case, only to find the haunts deserted and the Capone gang "on the lam."

Some sixteen of the sixty-eight Capone codefendants have surrendered and made bond.

George E. Q. Johnson, district attorney, ~~today reported~~ to President Hoover in Springfield on the law's smashing victory over Public Enemy No. 1.

Mr. Johnson and the President, it was understood, discussed what suggestion the government might make to Judge James H. Wilkerson, who will impose sentence on the banished gang lord on June 30.

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FT WAYNE IND NEWS SENTINEL
THURSDAY, JUNE 18, 1931.

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NEW YORK WORLD
NEW YORK TELEGRAM
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JUNE 18, 1931

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FT WAYNE IND NEWS SENTINEL
THURSDAY, JUNE 18, 1931.

MAY NOT GET CAPONE TAXES

CHICAGO, June 18.—(U.P.)—The United States Government discovered today that it may have difficulty in collecting the $215,000 which "Scarface Al" Capone admits he owes in back income taxes.

All of his property is listed in his wife's or mother's name, it was learned. Even his palatial home at Palm Island, Fla.,—reportedly worth a half million dollars—was found to be protected from seizure by a mortgage signed "Mrs. Alfonse Capone."

According to the mortgage, the Florida home was purchased by the gang leader for $40,000. He paid $10,000 cash and the remainder of the purchase price, as on record, is represented by the mortgage.

The deed to Capone's home on Chicago's south side is held by his mother. He owns interests in several dog racing parks near Chicago, but taxes always were paid on the earnings of the tracks. He also is said to own considerable valuable antique furniture.

Government agents are attempting to learn whether the mortgage on the Florida mansion is a "dummy." They planned to have Mrs. Capone's signature studied by handwriting experts to learn if Al signed his wife's name to the mortgage.

Admits Cheating.

"Capone admitted that he cheated the United States Government out of $215,000 income taxes and he will go to jail for it,' 'said a Government agent. "It's up to us, however, to collect the taxes and it seems to be a bigger job than we expected."

Capone has made extensive improvements on the Palm Island Estate and may have increased its value in that way, it was believed. To collect the back taxes by seizing the property, however, the Government must either satisfy the mortgage or prove it to be worthless.

G. A. Youngquist and Charles Sisson, assistant attorneys general, arrived here from Washington to work on the case in co-operation with George E. Q. Johnson, United States District Attorney. Johnson conferred yesterday with President Hoover at Springfield, Ill.

"We had a very pleasant visit and the President appeared to be in the best of spirits," Johnson said today. "I can not discuss my visit with Mr. Hoover."

Capone, who will be sentenced June 30, to a term of from two to five years imprisonment, was in hiding today. The Government has not asked him regarding ownership of property.

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CHICAGO ILL HER & EXAM
FRIDAY, JUNE 19, 1931.

PUSHING DRIVE ON GANGS HERE, SAYS MITCHELL

Campaign in Other Large Cities in Doubt; 'Honesty and Purpose' Cleanup Recipe

WASHINGTON, June 8.—(AP)—Attorney General Mitchell believes the government's campaign against Al Capone shows gang leaders can be eliminated "if you have honest men on the job and a real purpose."

Mitchell said today the Justice Department intended to "hit out at the gangster problem whenever it becomes particularly obnoxious," but his branch of the government was not planning any nation-wide drive throughout the larger cities.

HINT NEW CAMPAIGNS.

From other government agencies word has come gangster activities would be investigated in New York, Philadelphia, Detroit, Cleveland and St. Louis.

The Attorney General said he was uncertain whether a man would be sent from Washington to New York to co-ordinate the work of governmental agencies, as was done in Chicago.

CONTINUE DRIVE HERE.

Indication that Capone's pleas of guilty to income tax and prohibition law violations will not end the federal drive against the Chicago underworld was given by the Attorney General. It was intimated further that a substantial force might remain at work there.

Asked if William J. Froelich, special assistant to the Attorney General who acted as "co-ordinator" in the midwestern city, might assume similar duties in New York, Mitchell said he believed Froelich's services would be required in Chicago for some time. It was his understanding, he said, that United States Attorney General E. Q. Johnson, whose office was the brain center of the Chicago drive, had asked that Froelich remain.

Racketeers Rush to Pay Taxes as Capone Falls.

NEW YORK, June 18.—(AP)—At the office of the internal revenue bureau today it was said the cornering of Al Capone in Chicago and the opening of a similar drive here had frightened a number of New Yorkers into paying their back income taxes.

Some were reported to be racketeers, others had made their money in shady transactions that did not show on their tax reports. A few were not even suspected of tax evasions.

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Lincoln, Nebr., Star
FRIDAY, JUNE 19, 1931

Torrio On Throne Of Al Capone

Crime Czars Guilty Plea Attributed to New Gang Dynasty.

CHICAGO, June 19—(AP) — Today's Herald and Examiner said Johnny "The Immune" Torrio has succeeded Alphonse Capone.

The proclamation that Torrio had invested himself with the ducal robes of gangland leadership, the newspaper said, was posted last night in the haunts of the half-world.

Rumors have been persistent for weeks that the protege of "Big Jim" Colosimo had abandoned his western ranch to intervene once more in underworld activities.

Bullets from George "Bugs" Moran gang guns hastened Torrio's decision several years ago to quit Chicago's gang warfare. Twice before attempts on his life were unsuccessful. Thus he gained the sobriquet of "The Immune."

It was Torrio who brought Capone west from Brooklyn a decade ago to manage Colosimo's Twenty-second street vice district. And when Torrio abdicated, Capone climbed onto the throne.

The newspaper said it was Torrio who ordered Capone to "take the rap" against him and plead guilty to the government's indictments charging liquor law and income tax violations.

On this plea, Capone will be sentenced June 30.

United States District Attorney George E. Q. Johnson, the director of the drive against Capone, has already made ready to war on Torrio.

While Johnson refused to comment last night on rumors of Torrio's return, the district attorney said yesterday the government has made its plan for the offensive against Capone's successor.

Guzik "Making Hay."

CHICAGO, June 19—(AP)— The Daily News said today that Jack Guzik, No. 2 man in the Capone syndicate, had taken personal charge of the gambling privileges in the suburban areas and was running the outlying roadside inns "high, wide and handsome."

Whereas "Scarface Al" Capone has apparently resigned himself to his coming term in a federal penitentiary and is easing out of control of the syndicate, The News said Guzik, who is under five-year sentence for income tax evasion, is not fretting, but is "making hay before the sun starts shining through penitentiary bars."

Guzik has sent around word, said The News, that he is "the man to be seen" from now on, that the roadhouses can "open up now" on gambling, with the syndicate furnishing everything but the roadhouse and the roadhouse owner getting 40 per cent of the profits.

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CHICAGO ILL HER & EXAM
~~SUNDAY, JUNE~~ 21, 1931.

CIRCUIT COURT TO DECIDE ON WHITE CHARGES

Disinherited Son Plans Appeal as Probate Judge Dismisses Plea; Will Stays in Probate

Stanley White, one of the two disinherited sons of George Hastings White, yesterday lost his appeal for a rehearing of Judge Henry Horner's ruling admitting the will to probate.

White, through his attorney, Harry Berman, thereupon served notice of appeal to the Circuit Court in his effort to keep the estate, estimated as high as $500,000, from going to Miss Elfreda Prestel as the will provides.

HELD LEGALLY EXECUTED.

In denying the rehearing, Assistant Probate Judge Oscar Caplan held the law gave him no choice but to admit the will to probate since it had been shown it was legally executed and that the elder White, who died June 2 at the age of 60, was of sound mind and memory.

Attorney Luther D. Swanstrom, for whom Miss Prestel is secretary, characterized as "frivolous and scandalous" the allegation by White that his father's death resulted from the "illegal and unlawful act" of Miss Prestel.

The petition, which also charged that the first page of the will was a substituted forgery, was branded by Swanstrom as "full of villainous suspicions."

DEMANDS AFFIDAVITS.

"We will demand," he said, "that affidavits be filed in support of all these allegations, and, if they are not substantiated, we shall demand perjury prosecution. Miss Prestel's name is being maliciously attacked and it is time these proceedings were stopped."

Attorney Swanstrom scoffed at the hint that Miss Prestel and White were only casual acquaintances, asserting that, while Miss Prestel was secretary to District Attorney George E. Q. Johnson—a post she filled for thirteen years—White took her to lunch almost daily, and it was known they were engaged.

He said the will was drawn and signed in the office of the Chicago Title & Trust Company, of which White was rental officer for years, and that, therefore, there could not have been forgery.

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and will be with Pa in W
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"I'm for this Stribling, bot
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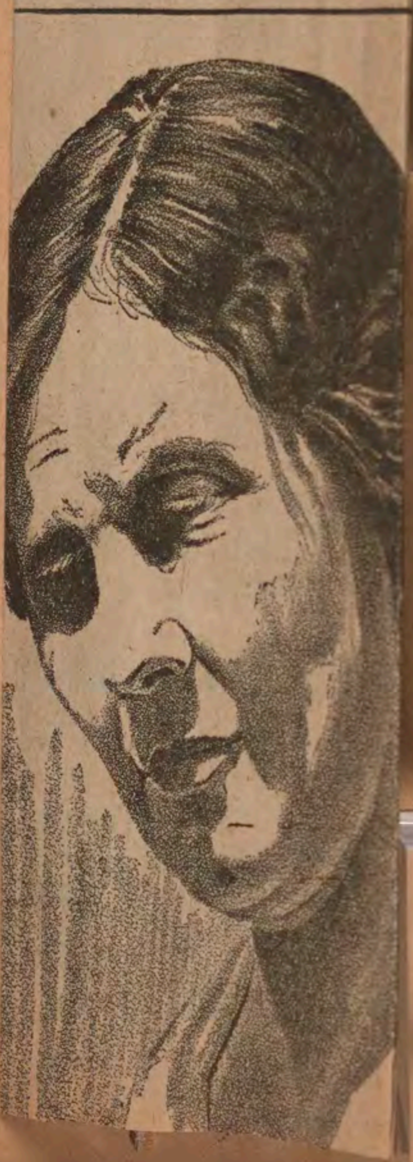

CINCINNATI OHIO POST
SATURDAY, JUNE 20, 1931.

CAPONE NABBED BY QUIET PAIR

Two Men From Corn Belt Caused Gangster's Downfall

WORKED FOR TWO YEARS

One Remains at Chicago to Finish Crime Cleanup

By United Press.

WASHINGTON, June 20.—Two soft-spoken genetlemen from the corn belt, who never had seen a gangster before, directed detective work that brought Al Capone and his crowd to bay.

Elmer L. Irey, chief of the intelligence unit of the International Revenue Bureau, and the corps of special agents of the treasury in their successful search for Capone's profits.

He comes from Kansas City, Mo Irey now is 42, a placid-looking fellow, whom one never would pick to send out among a bunch of gunmen such as the Chicago beer lord kept about himself. But he is persistent and relentless.

His partner in the case, William J. Froelich, known as Bill, is only 30. Froelich acted as co-ordinator for the Justice and Treasury departments agents who co-operated in the case.

He's a Golfer

Bill is a jolly fellow among friends and a golfer, as is his superior, William P. Mitchell, attorney general.

They tell how he sat about in the office of George E. O. Johnson, district attorney, at Chicago for several months—just like one of the office force—working up the intricate case. Nobody knew who he was for a long time.

Froelich comes from Omaha, Neb. He was assistant U. S. attorney there, a job to which he was appointed in 1926, when he was 25. He gained the attention of Mrs. Mabel Walker Willebrandt, then in charge of criminal prosecutions in the Justice Department. She had him transferred here as a special assistant in 1929.

To Stay at Chicago

He is one of the special force of assistants who go about the country on important federal cases. He is remaining in Chicago now to clean up gangster cases.

Irey and his men built up the case against Capone by gathering scraps of information in an investigation that lasted two years and that extended pretty well over the entire country.

Bit by bit they evolved an airtight case against the gangster which led him to plead guilty to all the federal charges of bootlegging and tax evasion which were brought against him.

Irey entered the government service in 1907 as a clerk in the office of the chief postoffice inspector.

He was a full-fledged postoffice

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gsters For Law Crusade

CHICAGO, June 20 — AP
These major cases summarize th
results of George E. Q. Johnson
anti-gangster campaign:

Ralph Capone, brother of A
under sentence of three years, fir
of $10,000, for income tax frau
Case on appeal.

Jake Guzik, Capone lieutenan
under sentence of five years and
day, fine of $17,500. Case on appeal.

Frank Nitti, Capone "enforcer,
in Leavenworth for 18 months
term, fined $10,000.

Sam Guzik, under sentence of a
year and a day at Leavenworth
fined $2,500.

Terry Druggan and Frank Lake
beer peddlers, qualified pleas o
guilty, subject to change if Ralpl
Capone wins reversal.

Al Capone, indicted on 22 count
for income tax fraud and evasior

CHICAGO, June 20 — AP —
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Chicago.

"Scarface Al" Capone, the "b
boy" of gangdom, is "in the ne
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And that means a victory in th
front line trenches for Geor
E. Q. Johnson, United States di
trict attorney in Chicago.

He has indicted lesser ga
chiefs — Capone lieutenants, so
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reached a climax in the ind
ment of "Scarface Al" himself

A Federal Club

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Crime Tribune 7/27/31

M'GURN AND WIFE SENTENCED IN MANN ACT CASE

He Must Go to U. S. Prison, She to Jail.

(Pictures on back page.)

"Machine Gun Jack" McGurn, public enemy and reputed executioner for the Capone gang, was sentenced to Leavenworth penitentiary by Federal Judge Walter C. Lindley yesterday on his conviction of conspiracy to violate the Mann act. Louise Rolfe, the gangster's "blond alibi" in the St. Valentine day massacre case, was sentenced to four months in the Cook county jail.

JUDGE LINDLEY.

McGurn, whose real name is Vincent Gebardi, and the girl, whom he married shortly before the Mann act case came to trial, were tried without a jury and adjudged guilty by the court. McGurn was sentenced to two years, the maximum for conspiracy, on each of three counts, the terms to run consecutively, but he was admitted to probation for a period of five years on the last two counts, during which time he must get an honest job and violate neither state nor national laws. With time off for good behavioir, he actually will have to serve approximately 19 months unless he is paroled.

Judge Explains His Stand.

"There was no commercial purpose involved in the transportation charged," said Judge Lindley, "but such purpose is not a material element of the crime forbidden by the Mann act."

Later the judge remarked:

"So long as we believe in the principle of monogamous marriage, the marriage vows must be observed. This crime is serious. If our civilization is to amount to anything, we must observe the moral traditions which have come down to us through the ages."

Before the court had pronounced sentence, Assistant United States Attorney Daniel Anderson asserted that a bellboy could have testified that he saw a machine gun and 1,000 rounds of ammunition in one of McGurn's bags at the Dallas Park hotel, Miami, when the gangster stayed there with Louise from Dec. 25 to 31, 1928. Thi was six weeks before the massacre of seven "Bugs" Moran gangsters in a Clark street garage, and McGurn was arrested with Louise in the Stevens hotel on Feb. 27, 1929.

Trace Travels of Pair.

The government's evidence traced the movements of the pair from the La Salle hotel in Chicago to Miami and return, and on another trip to St. Augustine, then to Biloxi, and back to Chicago. Hotel employés told of their registering as man and wife under various aliases and occupying the same suites.

The case was perhaps the costliest, considering the length of the trial—two days—ever prosecuted here. The court costs were about $4,000. More than 80 witnesses were subpoenaed and more than 60 testified for the government. They came from Florida, Georgia, North Carolina, Louisiana, Mississippi, Tennessee and Illinois.

Bonds to permit the defense to take an appeal were set at $15,000 for McGurn and $5,000 for his wife, and the couple were remanded to the custody of the United States marshal while the bonds were being prepared.

68

KSO S. CLARION
JUN J27

gsters For Law Crusade

CHICAGO, June 20 — AP — These major cases summarize the results of George E. Q. Johnson's anti-gangster campaign:

Ralph Capone, brother of Al, under sentence of three years, fine of $10,000, for income tax fraud. Case on appeal.

Jake Guzik, Capone lieutenant, under sentence of five years and a day, fine of $17,500. Case on appeal.

Frank Nitti, Capone "enforcer," in Leavenworth for 18 months' term, fined $10,000.

Sam Guzik, under sentence of a year and a day at Leavenworth, fined $2,500.

Terry Druggan and Frank Lake, beer peddlers, qualified pleas of guilty, subject to change if Ralph Capone wins reversal.

Al Capone, indicted on 22 counts for income tax fraud and evasion.

CHICAGO, June 20 — AP — A dynamic little prosecutor has gone "over the top" in his dogged offensive to drive gangsters out of Chicago.

"Scarface Al" Capone, the "big boy" of gangdom, is "in the net" —indicted for income tax fraud and evasion.

And that means a victory in the front line trenches for George E. Q. Johnson, United States district attorney in Chicago.

He has indicted lesser gang chiefs — Capone lieutenants, some of them — on similar charges, but his drive to outwit the "big shots" reached a climax in the indictment of "Scarface Al" himself.

A Federal Club

For more than four years income tax laws have been used in Chicago as a club to indict gangsters and racketeers who seemed immune from other prosecution, the determined, wiry little Johnson has been the mainspring the campaign.

His total of indictments against puted leaders in gangdom reach seven with the action against Scarface Al," which followed a arching two-year inquiry into e tangled devious paths of Capone finance.

A quiet, unobtrusive, slender son an Iowa farmer—and a church orker for years — Johnson has pared no pains in his fight to ield federal tax laws as a weaon against racketeers.

Began As "Unknown"

Less than five years ago he tepped into the district attorney's office virtually unknown to Chicago. The son of a Swedish immigrant, he had come to Chicago years before to study and practice law.

Quietly he commented that he would "talk with indictments and verdicts."

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CASE

. S. Pris-
Jail.

back page.)
Jack" McGurn,
eputed executioner
for the Capone
gang, was sen-
tenced to Leaven-
worth peniten-
tiary by Federal
Judge Walter C.
Lindley yesterday
on his conviction
of conspiracy to
violate the Mann
act. Louise Rolfe,
the gangster's
"blond alibi" in
the St. Valentine
day massacre
case, was sen-
tenced to four
months in the
Cook county jail.
McGurn, whose
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OLUMBUS OHIO STATE JOUR
SUNDAY, JUNE 21, 1931.

1931 68

CHICAGO TAKES STOCK OF CAPONE'S LEGACY

Graphic Illustration of Organized Crime Flourishing Under Protection, Called Chief Bequest by Prosecutor Who Brought About His Downfall.

By OLIVER SHERWOOD, Sunday Journal Special Writer.

CHICAGO.—When on June 30, Alphonse Capone receives a prison sentence for violation of federal laws, stepping definitely out of Chicago's picture, this city will take stock of the legacy left by its super gangster.

Al, in his own appraisal, regards his contribution to modern civilization to be a highly efficient system of quenching the thirst of multitudes, with intoxicants of good quality under a prohibition regime. He prides himself on the regularity of service, uniformity of prices, and responsibility of organization which his outfit maintained.

George E. Q. Johnston, federal district attorney, who ~~engineered~~ the campaign ~~leading~~ to Capone's downfall, thinks the gang chief's principal contribution has been a graphic illustration of the way crime can become organized and flourish under the stimulus of special privilege and protection.

The public, according to all evidence, has appreciated Capone. He provided the reality of an open atmosphere, kept speakeasies in operation, ran roadhouses of quality, offering anything sought, and kept people excited by bloody forays against enemies. But business interests were angered by his large contribution to the city's reputation as crime capital of the world.

Police are inclined to point out that Capone showed how to operate an underworld police department, without endangering too frequently, the lives of innocent citizens. His method of quick justice, by which enemies found themselves ambushed and traitors ended in the ditch after a one-way ride, was considered a model of effectiveness.

The Capone army was one of Al's pet prides. He claimed never to have been responsible for the death of an outsider in pistol battle for a local monoply, but his claim is not borne out by the records which show that a street car motorman was slain when gunmen first sought unsuccessfully to kill Jack Zuta.

In seeking to make an established, recognized and fairly accepted business out of booze, vice and gambling, Capone stressed one principle.

"We want no trouble," he continually told his satelites. With that policy in mind, Al and the Capone agents sought to take care of politicians and policemen in a way that would bring good will. He explained frequently to the lic that all he wanted to do was sfy their demands for enter-

He pointed out that the best families used his products.

But competition caused trouble and while citizens were not frequently affected directly by the slaughter that grew from the Capone determination to have the Chicago market all to himself, they flinched from the unfavorable publicity that resulted.

Mayor Anton J. Cermak gave voice to something of the Chicago feeling when he said:

"I never mention this man's name. Everybody is calling up from England, France and South America to get me to talk about the gangster. I told them all I never heard about him. If every one would refuse to mention his name, Chicago would be better off."

This ostrich policy was tried by Chicago for years, but still Capone functioned. The federal government took another tack to get his name out of print and is succeeding.

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of the F eral Building aces crowded the balconies fronting the central shaft to see Al go.

The main hallway held another crowd and at each entrance to the building loitered other groups. Capone himself marched with a guard of ten police.

5,000 Crimes; Guilty!

The income tax indictments charged Capone with owing the government $215,000 on income of $1,038,654 from 1924 to 1929.

The liquor conspiracy charge accused the gangster of 5,000 separate transgressions against the law in ten years. It fixed on him responsibility for manufacturing 7,500,000 gallons of beer, the delivery of 150,000 barrels, and the operation of a dozen breweries. His ten years income from beer has been estimated at over $200,000,000.

Al Taken Home

Lieut. William L. McCarthy's detective bureau squad escorted Al to and from the Federal Building. He was conducted from court in a freight elevator, taken to the subway, and given safe conduct in a cab to his bailiwick around Twenty-second st. and Michigan av.

When it was over, District Attorney Johnson, who has led the fight against Chicago's gangs, said:

"I'll be able to sleep easy for the first time in a long while tonight. I'll be able to relish a good meal, too."

He telephoned at once to Attorney General William D. Mitchell in Washington to tell him the outcome of the case.

Mr. Johnson leaves for Springfield today, where he will have an audience with President Hoover, whose daily demand of his "medicine ball" cabinet for the extermination of the Capone gang has at last been fulfilled.

They Got Capone

The President for months has never started his exercise period with cabinet members without asking, "Have you got Capone yet?"

They got Capone.

The gangster may still be "got" on other charges. It was pointed out that yesterday's cases involved the dr

These defendants, if fou face sentences ranging all t from fines to a maximum of years' imprisonment. In the face of their past records, sentences generally are expected to be stiff.

With these cases disposed of, the Capone gang will be effectively wiped out.

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Small Fry

That will leave only minor gangs, with neighborhood territory rather than city-wide and county-wide scope. The government so far has not concentrated attention on these combinations, letting that work slide until the major objective—destruction of the Capone gang—was accomplished.

With Capone out, the interesting conjecture develops whether new gangs will rise to supplant him.

The prohibition law in Chicago has worked almost as Jason's dragon teeth. Each major gangster who has been eliminated, either by law or in internecine strife, has been followed by another, starting as a minor hoodlum and developing into the next "big shot."

Drew to "Four Deuces"

Such a one was Capone himself. Originally a "muscle man" and hanger-on at the "Four Deuces," notorious vice resort, and imported here from Brooklyn, Al succeeded to the gangland dictatorship when too much shooting scared Johnny Torrio out of town.

And before Al, Torrio was an underling of "Big Jim" Colosimo, the "pioneer" of Chicago's post-Volstead days.

Now Al is about to go.

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CHICAGO ILL DAILY NEWS
MONDAY, JUNE 22, 1931.

HUNT 'PLAYBOY' OF CAPONE GANG AS BEER RING AID

U. S. Authorities Also Push Tax Case Against George Howlett.

George A. Howlett, the Jekyll and Hyde playboy of the Capone mob, was being hunted today by United States deputy marshals as a member of the Capone beer conspiracy. At the same time the internal revenue bureau was pushing an income-tax case wherein it seeks $52,000 in taxes from the hoodlum for the years 1926, 1927 and 1928.

When United States District Attorney George E. Q. Johnson obtained an indictment against "Scarface Al" Capone and sixty-eight others he rolled over the underworld log and a great many creatures crawled into the light of day.

And one of them was Howlett, who liked to play the role of big business man. Some of the addresses he has given persons met on golf courses during the last few years were 1014 Sheridan road, the Sovereign hotel and 5000 Cornell avenue.

Popular on Golf Links.

Howlett is also reported to have purchased a comfortable home in Oriole drive in the Long Beach colony near Michigan City.

He joined the Long Beach Country Club and was a favorite on the golf links and at the nineteenth hole.

Howlett has been accustomed to talk vaguely of his printing business. Government men wish he were less vague. In their hunt for assets against which they might levy on a jeopardy assessment issued a year ago, operatives under A. P. Madden of the intelligence unit have been unable to uncover any holdings of Howlett's in any printing business.

Implicated with Remus.

Howlett, under the name of Hollis, was implicated in the Jack Daniels distillery case, with George Remus, former Chicago lawyer, and others, but the government never was able to apprehend him at that time.

He was implicated in a shooting scrape on the south side some six years ago but the case was not pressed.

While on the trail of Ralph Capone's income, government men found a $250,000 account in the Lincoln State Bank, 3105 South State street. The internal re enue bureau started civil proceeding at once and demanded $52,000 in t es and penalty. The suave Mr. H wlett is reported to have offered to compromise on the sum but no definite action has been taken.

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2 JUNE

U.S. AGENTS HERE START FIGHT ON BIG RACKETEERS

Federal Attorney and Squad of Revenue Men to Search Vaults.

WILL CENTER ON 'OVERLORDS'

Vannie Higgins, Dutch Schultz, Owney Madden, Waxy Gordon on the List.

By EDWIN C. HILL.

Beginning today, United States Attorney George Z. Medalie and a flying squad of United States Internal Revenue agents will comb the banks and safe deposit vaults of New York for the cash deposits and hidden riches of the "big shot" racketeers in New York. Having finally awakened to the fact that business and private citizens are paying at least $200,000,000 a year to the racketeer gentry of this city, and having proved, by the successful prosecution of Scarface Capone in Chicago for cheating the Government in income tax payments, that the way to hamstring a racketeer and head him toward prison is to attack him through his pocketbook, Uncle Sam is preparing to put on all the pressure possible this week.

Mr. Medalie and the special agents of the Treasury will seek to find out whether there have been income tax evasions, punishable by heavy fine and long prison sentences, on the part of many gang leaders, blackmailers, beer and liquor runners and others living on the shady side of the law in this town. Included in the United States Attorney's list are eight men whose financial affairs are now under the closest scrutiny—all of whom are supposed to have grown rich since the enactment of the Eighteenth Amendment—all of whom have police records and a few of whom are notorious ex-convicts.

These men, listed as overlords of racketeering, several of them millionaires, are: William Duffy, ex-convict; Owen or "Owney" Madden, oldtime West Side gang leader and

Continued on Third Page.

States Attorney Medalie—the new man on the job—is not an official who talks much. But he does admit this, that there seems to be some strange and mysterious influence or power behind this astonishing faculty of gang chieftains for getting off scot free or with little punishment when arrested for grave violations of State law. In other words, the United States Government has taken cognizance of the fact that many arrests have meant little in the case of men like those named herein when the arrests were for ordinary offenses against the law of the State.

The flying squad from the Treasury Department has made a preliminary inquiry into the activities and careers of these eight men and have reached the conclusion that all, with possibly one or two exceptions only, have grown rich in the past ten years, several of them immensely rich. They have checked up on the lot, and are now getting ready to bear down. The information was obtained by The Sun from an official source that the Government has been cheated out of probably $4,000,000 in income taxes in 1930 by New York racketeers. Working side by side with United States Attorney Medalie in his investigation are Hugh McQuillan, chief of the local special intelligence section of the Internal Revenue Bureau, and Elmer E. Irey, chief of the whole special intelligence section and who has come to New York after conducting the successful investigation into Al Capone's income tax dodging.

Police Records Not All.

The police records of the eight men whose incomes, along with the incomes of other alleged racketeers, are now under investigation, do not tell the whole story of thei[illegible] there is Vannie Higgins, fo[illegible]ple. He has dominated the beer running and beer distribution racket in Brooklyn for the last two or three years. The State of New Jersey, through Judge Barison of Hudson county, has warned him never again to set foot upon Jersey soil. Thirty-seven years of age and regarded as one of the toughest of the gang leaders, he has been in innumerable knife and gun fights. He was badly stabbed in a speakeasy in West Seventy-seventh street on May 21, last.

For several days the newspapers have devoted columns to Dutch Schultz, whose real name is Arthur Flegenheimer, and who bosses the beer racket in the Bronx. Schultz is an enemy of Jack Diamond and Owney Madden, and was suspected of trying to assassinate Diamond when the latter was shot up in the Hotel Monticello. This feud is supposed to have arisen out of the assassination of Schultz's friend and collector, the late Deputy Sheriff Noe of the Bronx, who was shot down outside of the Hotel Harding. Following that affair there was an explosion of gun fights and attempted executions, and finally Schultz was shot one morning in the Club Abbey. He would have been killed had he not worn a bullet proof vest. The Broadway gossip was that he owed $60,000 to Madden a[illegible] Big Bi[illegible] Dwyer, and had been slow in paying up.

Owen, or Owney, Madden is an oldtime West Side gangster. He served six years in Sing Sing after having been convicted of instigating the killing of Patsy Doyle. He is 38, and in the last four years has become very powerful in underworld rackets and has grown rich at the game. He owns or is said to own a whole chain of speakeasies, the Club Abbey and considerable other property. He has an interest in Carnera, the ambulating Alp of a prize fighter, who was imported to this country by Madden and his friend, Bill Duffy, and is understood to have a good deal of power in the fight racket.

Duffy a Smooth One.

His friend Bill Duffy served time in Elmira for robbery, going up in 1910, and some years later was sent to Sing Sing for ten years for robbery. Being a pretty smooth article, Duffy got on the good side of Thomas Mott Osborne, the then warden, and gained many privileges and an early release. He went into the night club racket with Linky Mitchell, in the Club La Vie, which was a gold mine for a time. Then he opened the Silver Slipper, and had an interest in the successful Rendezvous. He got into the boxing racket, and in 1929 was the guest of honor at a banquet at the Elks Club in Brooklyn, at which 2,000 persons, more or less well known in sport, hailed Mr. Duffy for his popularity and good fellowship. He travels with two bodyguards, and is said to be worth a great deal of money.

Irving Wexler is another one of the gang leaders and a big shot rocketeer, who is in the money class. He is put down for fully as big a fortune as Bill Duffy possesses. Wexler is said to have a financial interest in several hotels and a flock of speakeasies, along with a brewery and a distillery.

Ciro Terranova is one of the most interesting of the lot. Arrested ten times for alleged offenses, he was discharged seven times and acquitted once. He is good-looking, dresses to the minute and lives with his family in a $52,000 house in Pelham Manor. He used to be in the artichoke business and this gained him the name of the "Artichoke King." Dan Iamascio, slain while fighting the detectives who arrested Dutch Schultz the other day, used to be Terranova's gunman. Ciro was accused of instigating the holdup of the celebrated dinner to ex-Magistrate Albert H. Vitale, at the Bronx Roman Gardens on December 8, 1929, at which time Detective Johnson, a guest, was relieved of his pistol, and when $5,000 and a lot of jewelry were collected from the other dinner guests. It was charged at the time that Terranova wanted to recover from one of the gangster guests a written contract for the murder of Frankie Yale and Frank Marlow. Nothing, however, ever came of that charge.

"Frenchy" De Mange, or George De Mange, was originally of Tanner Smith's Hudson Duster gang in Greenwich Village. He has been arrested twice charged with murder. In recent years he has made a great deal of money, it is said, "protecting" fighters and night clubs. He is said also to own a piece of Carnera, as the saying is—that is to say, he is one of Carnera's managers. He has been hugely successful since prohibition came in and his fortune is put at $2,000,000.

Larry Fay has a slender police record—only one arrest. He has received some forty-six summonses for traffic violations, fighting and suchlike peccadilloes, but they have never got the goods on him for any serious fracture of the statutes. He got into the night club business by starting the El Fey, some years ago, hired Texas Guinan, whooped things up, started the Club Rendezvous, made more money, started a chain of taxicabs and then got into the racket of "protecting" the loose milk industry. It was charged that he collected $800,000 a year from that source alone.

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U. S. CAMPAIGN IS ON AGAINST RACKETS

Continued from First Page.

ex-convict; George "Big Frenchy" De Mange, twice arrested for murder, and described as one of the most dangerous of the racketeers of New York; Arthur "Dutch" Schultz, now under arrest and indictment for possessing a loaded pistol after having been convicted of crime and for assault in the first and second degrees; Charles Vannie Higgins, beer czar of Brooklyn, and notorious gang leader; Ciro Terranova, a gangland chief in the Bronx, formerly known as "the Artichoke King;" Irving Wexler, or Waxy Gordon, as he is sometimes called, among numerous aliases, one of the richest of the racketeers and owner of valuable Broadway district hotels, night clubs and speakeasies, and Larry Fay, recently acquitted of conspiracy to fix the price of loose milk, taxicab chain owner and night club promoter, and regarded as one of the luckiest and shrewdest of the whole fraternity.

All But Fay Have Records.

Except for Fay, who has been arrested only once on a serious charge, and acquitted on that, the others have police records as long as your arm. These records are printed in The Sun today and reveal some astonishing facts. The eight men have been arrested 70 times, lumping their arrests together. And they have been discharged 38 times. Suspended sentences, probations and paroles, undisposed-of cases and so on cover another bunch of these arrests and in only ten instances were prison sentences clapped on to the defendants. And of the ten prison sentences six were collected by one man—Irving Wexler or Waxy Gordon. Eliminating the five times that Wexler was sent to Elmira, returned to Elmira and jugged in the Massachusetts House of Correction and the Philadelphia County Penitentiary, there are just five instances among the whole seventy arrests where the defendant was sent to prison. Yet in the larger number of cases the arrests were for serious crimes—robbery, manslaughter, homicide, felonious assault and so on—the usual record of violent performance in gangland.

Almost every one of the eight men named above—whose police records are given here—have had what seems like amazing luck in evading the consequences of offenses with which they have been charged. United States Attorney Medalie—the new man on the job—is not an official who talks much. But he does admit this, that there seems to be some strange and mysterious influence or power behind this astonishing faculty of gang chieftains for getting off scot free or with little punishment when arrested for grave violations of State law. In other words, the United States Government has taken cognizance of the fact that many arrests have meant little in the case of men like those named herein when the arrests were for ordinary offenses against the law of the State.

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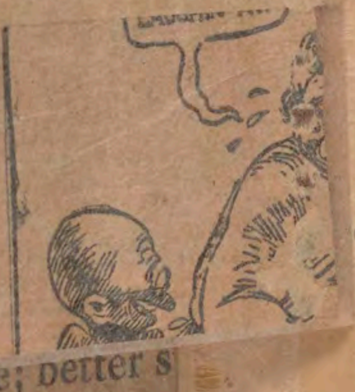

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LOUISVILLE, KY., HERALD
SEPT. 27, 1931 05

GANG PLOT CHARGED TO ESCAPE PEN

Johnson Pushes Sift of Tax Dodgers' Story.

Chicago, Sept. 26. (AP)—The story that Terry Druggan and Frank Lake paid $75,000 in an effort to escape penitentiary sentences for violating income tax laws was being investigated by the federal government today "in an exhaustive manner."

United States District Attorney George E. Q. Johnson denied in a formal ~~statement that he or~~ any one in his office had been "bribed or improperly influenced." He said investigation of the story was going forward with his "full co-operation."

Harry C. Hayes, hotel owner and friend of the two gangsters, who first revealed that department of justice agents had come to Chicago to investigate the charge, reiterated that "$75,000 was paid to clear Druggan and Lake in the income tax case."

Supposed Go-Between Unnamed.

Hayes previously had said the money was given an unnamed attorney, inferring that he was to pass it on to persons who might have influence in the case. He did not accuse any government official or employe of having received any of it.

The federal building version of the entire affair was that it was a "plot" to discredit Johnson and obstruct justice on the eve of important cases against gangsters, including the income tax case against "Scarface Al" Capone.

"What the purpose of this story conveys except to impair my usefulness as a public official I do not understand," said Johnson. "When the government's investigation is completed, which I hope will be in a short time, steps will be taken to punish those who are guilty in this matter.

Plan Change Of Pleas.

"My private, professional and official life in Chicago is an open book to all who care to know. And if the reputation of a public official can be destroyed by the uncorroborated word of a man who, by his own statement, is in a conspiracy to bribe, then no one who values his reputation can afford to be in public office."

Druggan and Lake have pleaded guilty to violating income tax laws, with the stipulation that if certain cases were reversed by the Supreme Court they might change their pleas.

Ralph Capone, older brother of the notorious "Scarface Al" Capone, escaped immediate imprisonment for failure to pay federal income taxes, as the United States Circuit Court of Appeals granted him an extension until October 6 to prepare an appeal to the Supreme Court.

On that date "Scarface Al" will face Federal Judge James H. Wilkerson to

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LOUISVILLE, KY. COURIER JOURNAL
SEPT. 1931

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GANG… CHARGE… ESCAPE…

Johnson Probes … of Tax Dodgers' Story

Atlanta Ga. Journal

SEP 27 193

DRUGGAN PAYMENT TO EVADE PRISON UNDER U. S. PROBE

Federal Officers Claim Attempt to Discredit Their Testimony

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Preparing Appeal

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On that date, "Scarface Al" will face Federal Judge James H. Wilkerson to be tried also for income tax evasion.

A mandate committing Ralph Capone to the Federal Penitentiary at Leavenworth to serve a sentence of three years was stayed by the action of the Circuit Court which Friday denied the gangster a rehearing of the case. He also faces $11,000 in fines. He was charged with evading payment of more than $300,000 in taxes and penalties. His attorneys said they would ask the Supreme Court to review the case, under a writ of certiorari.

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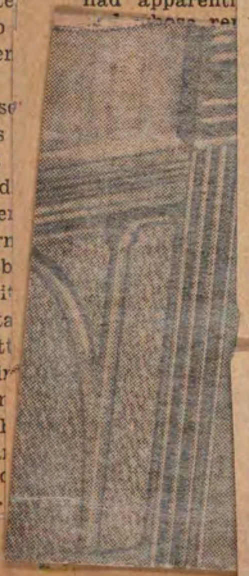

N. Y. City Sun
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By the Associated Press

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Boston Mass. Globe
SEP 28 1931

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CHICAGO ILL POST
MONDAY, SEPTEMBER 28, 1931.

U. S. Prosecutors Seek Indictments in Druggan Plot

Washington Agents Are Ready to Go Before Grand Jury.

Federal agents and a group of assistant attorney generals from Washington, here to investigate the alleged $75,000 bribe plot involving Terry Druggan, were today reported ready to go before the grand jury to seek indictments.

United States District Attorney George E. Q. Johnson said he would do his utmost to see that proper punishment is inflicted on those involved in the plot. Its sole purpose, he said, was to discredit him in the midst of his campaign against the gangsters.

Attorney Leopold Melnick, whose name has been mentioned in connection with the case, denied today he had anything to do with any plot of Druggan's to bribe some one in order to escape a prison term on the criminal income tax case against him.

Represents Al Capone.

Melnick represents Al Capone in the criminal proceedings against him for failure to pay taxes, but declared he was interested only in the civil proceedings involving Druggan.

"I represent some people whose property is tied up through government liens against Druggan," he said. He was referring, it is believed, to Albert Pick, who sold Druggan property and had an interest in the property amounting to the unpaid balance of the purchase price. The government had attached the property in connection with its income tax claims against Druggan.

"I acted in Druggan's behalf with the utmost good will and in the utmost good faith," Melnick said. "I had nothing to do with any fixing and what I did was open and above board. I don't believe I ever met the political leader or clergyman connected with these stories.

Lucas Gets Leniency Letter.

The reference was to Robert H. Lucas, executive director of the Republican national committee, and former commissioner of internal revenue at Washington, who received a letter from Rev. Bernard J. Boland of Louisville, Ky., asking for leniency for Druggan. Lucas replied he had nothing to do with the criminal case against Druggan.

Melnick announced he would not resign as Capone's counsel.

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Boston Mass. Post
SEP 28 1931

BRIBE STORY DISCREDITED

Merely Intended to Injure District Attorney

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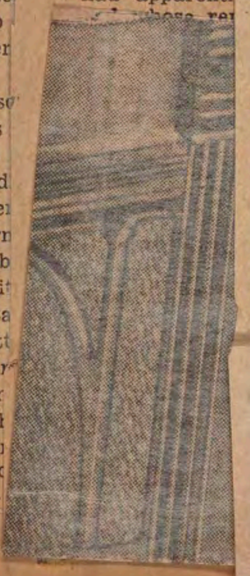

N. Y. City Sun
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Washington, D. C. ~~News~~ Star
SEP 28 1931

GANG BRIBE STORY MAY REVEAL PLOT

Investigators Consider Possible Attempt to Discredit Chicago Prosecutor.

By the Associated Press.

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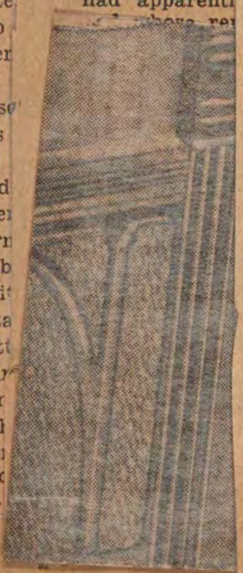

N. Y. City Sun
SEP 28 1931

GANG CONTACTS KILL PRESTIGE

Capone Deal Costs Johnson a Federal Judgeship.

BLACKLIDGE CASE RECALLED

Even Big Bill Lost Standing Over Hoodlum Associations.

By OWEN L. SCOTT.

Special Correspondent of THE SUN.
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CHICAGO, Sept. 28.—Dealing with Chicago gangsters, whether directly in the role of a prosecuting official, or indirectly, seeking favors for the hoodlums, has proved to be a troublesome and costly business.

Federal Attorney George E. Q. Johnson, most successful battler against local gangs, provides the latest instance. Mr. Johnson appeared today to have scotched an alleged plot of Terry Druggan and Frankie Lake, local beer barons, to besmirch his reputation with a bribery scheme. Supposedly Al Capone, who comes to trial on Oct. 6, on an income tax evasion charge, was involved. But out of the maze of circumstance, it looks now as though Druggan and Lake would face a possible ten years more in prison when Government agents have ferreted out all the facts.

Previously, Mr. Johnson, following precedent, had with the supposed approval of Attorney-General William D. Mitchell bargained with Capone about the sentence he would serve on income tax and liquor law violation charges in return for a plea of guilty. According to local information, that deal has cost the District Attorney an expected appointment to a Federal judgeship.

Before that Mabel Tanner Blacklidge, former Collector of Internal Revenue for this district, had been inveigled into a friendly game of faro with a couple of local hoodlums. When she had lost $50,000 lent to her by another local politician, Edward Litsinger, member of the local Board of Tax Review, the story broke and Mrs. Blacklidge lost her job. One of the two hoodlums who snared her was found later shot to death, but the one-time leading feminine politician did not regain her political standing. Mr. Litsinger also lost political prestige.

It was after this deal that Clarence F. Buck, prominent Illinois politician, recommended by United States Senator Otis F. Glenn to succeed Mrs. Blacklidge burned his fingers on a hoodlum. Mr. Buck, at the request of a Chicago politician, supposedly asked Federal Judge Charles E. Woodward to allow a continuance in the income tax case against Jake Guzik, Capone organization general manager. He said that the request was entirely innocent, but it got out, and so Senator Glenn is looking for another man for the internal revenue job.

Locally the political effects of contact with gangsters has been less devastating, but 'Big Bill' Thompson, former Mayor, may owe some of his loss of standing to the gang representative maintained in his Cabinet.

Boston Mass. Globe
SEP 28 1931

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CHICAGO ILL HER & EXAM
MONDAY, SEPTEMBER 28, 1931.

EXPECT REPORT TO BARE NAMES OF HIGHER-UPS

Sleuths Certain 'Some One' Got Big Tax 'Fixing' Fee; Melnick Clings to Capone

The elusive trail of the $75,000, with which Terry Druggan and Frankie Lake hoped to "fix" their income tax cases, was being pursued yesterday by government agents with unabated diligence.

They seemed convinced, despite a barrage of denials, that some one paid $75,000 to some one else and they were determined to learn through whose hands the money passed and where it finally reached.

Led by H. H. Clegg of St. Louis, former head of the Department of Justice bureau of investigation, the investigators were reported to have almost completed the report they will make to Acting Attorney General Thacher at Washington.

EXONERATE JOHNSON.

That report, based on questioning of more than thirty persons, will, it is understood, completely exonerate District Attorney George E. Q. Johnson, whom the plotters had apparently hoped to "reach" and whose reputation they sought to blacken when the "reaching" failed.

But significance is seen in a statement by Mr. Johnson:

"The Harold Hayes story involved other people who, I am confident, are as innocent of any wrongdoing in the matter as I am."

AWAIT NAMES IN REPORT.

It is believed the Clegg report may throw light on the identity of those "other people" and disclose whether they are as "innocent of any wrongdoing" as Mr. Johnson believes.

Hayes, whose story to Washington authorities that the $75,000 had been paid is credited with having instigated the investigation, is owner of the Metropole Hotel, a Capone gang hangout.

Attorney Leopold Melnick, whose name has been mentioned, denied yesterday that he knew anything of the attempted $75,000 bribe. He was attorney for Albert Pick when the latter sold his farm near Lake Zurich to Druggan and Lake. Subsequently he sought to effect a compromise of government liens against the farm. Melnick has been questioned by the investigators. It is understood his statement entirely absolved District Attorney Johnson.

STAYS AS CAPONE COUNSEL.

Asked whether he would withdraw as counsel for Al Capone in the latter's impending income tax fraud trial, he said:

"I have not withdrawn. Anything of that sort is up to my client."

It was reported in the Federal Building that Melnick would withdraw because of the belief that the many unconfirmed rumors growing out of the Druggan-Lake matter might hurt Capone's case.

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CHICAGO, Sept 27 (A. P.)—The Federal Government's investigation of a story that two alleged gangsters paid $75,000 to escape prison sentences for income tax violations apparently had settled tonight on the theory it was a plot to discredit United States Dist Atty George E. Q. Johnson.

Johnson had directed successful income tax prosecutions against several gangsters and the cases against others, including "Scarface Al" Capone, are pending.

Terry Druggan and Frankie Lake, who were said by a friend to have paid the bribe, have pleaded guilty.

"What the purpose of this story conveys except to impair my usefulness as a public official, I do not understand," Johnson said in making a complete denial that anyone in his office accepted a bribe.

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CHICAGO ILL DAILY NEWS
MONDAY, SEPTEMBER 28, 1931.

BRIBE TALE MAY BE BOOMERANG FOR DRUGGAN

Johnson's Attack on Gang Rumor Exposes Purpose, Is Belief.

The $75,000 bribe plot tale reputed to have been hatched by Terry Druggan to hamper federal prosecution of himself and his beer partner, Frankie Lake, on income-tax evasion charges, appeared likely today to become a boomerang as government investigators pressed their inquiry with a view to possible grand-jury action.

United States District Attorney George E. Q. Johnson, who expressed the belief that the story of the $75,000 "fix" to keep Druggan and Lake out of the penitentiary was the result of a conspiracy to besmirch him, said that he would do his utmost to see that punishment is inflicted on any one implicated in the conspiracy.

The bribe story which started the investigation was said to have been told Washington officials by Harold Hayes, owner of the Metropole hotel, one-time hangout of the Capone mob.

Attorney Leopold Melnick, one of counsel for "Scarface Al" Capone in the gangster's income-tax case, was reported to have been questioned by federal agents in the graft investigation.

"I represent some people whose property is tied up through government liens issued against Druggan," he declared. It was understood that he was referring to Albert Pick, whose Sanola farm near Lake Zurich was purchased by Druggan before his difficulties with the government.

In a statement issued Saturday District Attorney Johnson expressed his belief in the integrity of Melnick and explained that the attorney had consulted him on the Sanola farm matter, wanting to know what could be done to release it from its incumbrance.

N.Y. City Sun
P 28 1931

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By the Associated Pre

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Investigators on Case.

Representatives of United States Attorney General William D. Mitchell were here investigating the case, under direction of H. H. Clegg, St. Louis, formerly in charge of the Department of Justice Investigation Bureau.

Investigation of the story has been under way for some time, it was learned, the matter having been called to Attorney General Mitchell's attention several weeks ago by Harry C. Hayes, owner of a hotel where Capone formerly made his headquarters, and friend of Lake and Druggan. Hayes said the $75,000 was given to an attorney for payment to the district attorney's office.

Possibility that Druggan and Lake may have been swindled by some person who misrepresented himself as having power with the prosecutor, also was being studied.

Powerful Foe of Gangsters.

Johnson has been recognized as one of the most powerful opponents of gangsters in the history of Chicago crime. His success in obtaining liquor conspiracy and income tax fraud indictments against Capone, whose followers claimed to be "immune from the law" for years, established him as the city's leading anti-crime campaigner.

Johnson said "when the Government's investigation is completed steps will be taken to punish those who are guilty in this matter." Charges of bribery and obstruction of justice, with maximum penalties of 10 years imprisonment on conviction, could be made against perpetrators of such a plot, it was pointed out.

The Government investigators have interviewed about 30 business men, bankers and lawyers, as well as sus[illegible]

Boston Mass. Globe
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LOUISVILLE KY. COURIER-JOURNAL
OCT. 3, 1931 Q6

OFFICIALS CLEARED IN DRUGGAN CASE

Washington, Oct. 2 (AP)—Acting Attorney General Thacher said today a Justice Department investigation of handling of the Druggan-Lake income tax case disclosed "no facts or circumstances" reflecting on the integrity of any one in the office of the United States Attorney ~~at Chicago~~.

Thacher's announcement was made a week after disclosure of an alleged plot by Terry Druggan and others being prosecuted under Federal income tax laws to discredit Attorney George E. Q. Johnson. It was reported Druggan ~~planned to tes~~tify he had paid $75,000 for immunity.

1931 91

Kansas City, Mo. Times
OCT. 3, 1931 O14

NO TAX BRIBE EVIDENCE.

A Clean Bill to United States Attorney at Chicago.

(*By the Associated Press.*)

WASHINGTON, Oct. 2.—Any clouds over the office of George E. Q. Johnson, United States attorney ~~at Chicago, as a~~ result of the Druggan-Lake income tax cases were dispelled today by Acting Attorney General Thacher.

He said a department of justice investigation "disclosed no facts or circumstances which in any way indicate improper conduct or lack of integrity on the part of anyone connected with the United States attorney's office."

Thacher's announcement was made a week after disclosure of an alleged plot by Terry Druggan, Frank Lake and others to obstruct government prosecutions under income tax laws. It was reported Druggan was prepared to testify he had paid $75,000 to procure immunity. Druggan planned to swear his money reached Johnson's office.

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Washington, D. C. Herald
OCT 4 - 193

U. S. CONFIDENT TRIAL WILL PUT CAPONE IN JAIL

Income Tax Case Which Opens Tuesday Regarded as Test of Government's Strength

CHICAGO, Oct. 3 (U.S.).—Lines were drawn today for the bitter legal battle between "Scarface Al" Capone and the United States Government.

As the time approaches for the appearance of the king of gangsters in Federal court next Tuesday, his trial has come to be regarded as a crucial test of strength of the Federal Government.

It will determine whether Capone is too powerful to be put behind the prison bars at Leavenworth for a substantial term.

PLEAS WITHDRAWN

The trial is for defrauding the Government, as the prosecution claims, of $215,000 in income tax. Capone once pleaded guilty to this, as well as to a conspiracy against the prohibition laws, but he quickly withdrew the pleas when he found that a bargain for a nominal sentence would not be recognized by Federal Judge James H. Wilkerson.

His attorneys tonight said they were ready, for Capone never has been subjected to the humiliation of a jail or prison sentence in his home stamping grounds.

In the front line of the legal battery representing the gangster chieftan will be Michael J. Ahern. He is known as one of the most astute criminal lawyers in the city. With Ahern in the case is associated Albert Fink. They will be assisted by numerous counsel.

GOVERNMENT CONFIDENT

Despite Capone's long immunity from Federal and local imprisonment, the Government is confident of victory. District Attorney George E. Q. Johnson, who is given credit ~~for Capone's~~ indictment on the income charge, will appear personally Tuesday for the first time during his tenure of office, to direct the prosecution.

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CHICAGO ILL HER & EXAM
SATURDAY, OCTOBER 3, 1931,

JOHNSON GIVEN CLEAN BILL IN '$75,000 BRIBE'

U. S. Report Also Clears District Attorney's Staff of Plot; 'Fixer' Still Sought

The Department of Justice at Washington yesterday absolved District Attorney George E. Q. Johnson and his staff of any connection with the reported plot of Terry Druggan and Frankie Lake, the beer twins, to buy immunity from federal prosecution through payment of a $75,000 bribe.

Absolution of Mr. Johnson by his superiors was regarded as a foregone conclusion by those who have followed his successful prosecution of gangsters.

But the mystery of who received the bribe—if a bribe was actually paid—remains unexplained. The department's report does not touch upon this aspect of the affair.

TEXT OF REPORT.

The report, made public by Acting Attorney General Thomas D. Thacher, declared:

"The Department of Justice has thoroughly investigated charges recently made with reference to the handling of the Druggan-Lake income tax case by the United States attorney's office in Chicago.

"The investigation has disclosed no facts or circumstances which in any way indicate improper conduct or lack of integrity on the part of any one connected with the United State's attorney's office."

CAPONE LINKED TO PLOT.

Mr. Thacher's announcement came a week after the sensational charges were disclosed here. Members of the district attorney's staff characterized the whole affair as an attempt to discredit Mr. Johnson at a time when a number of hoodlums were scheduled for trial, among them Al Capone, who was said to have aided the plot.

What the investigators found in their effort to link others with the plot was not disclosed. It is known here, however, that Department of Justice men are still in Chicago sifting reports that the money was actually paid to a "go-between" or some official to "fix" the case.

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It will determine whether Capone is too powerful to be put behind the prison bars at Leavenworth for a substantial term.

PLEAS WITHDRAWN

The trial is for defrauding the Government, as the prosecution claims, of $215,000 in income tax. Capone once pleaded guilty to this, as well as to a conspiracy against the prohibition laws, but he quickly withdrew the pleas when he found that a bargain for a nominal sentence would not be recognized by Federal Judge James H. Wilkerson.

His attorneys tonight said they were ready, for Capone never has been subjected to the humiliation of a jail or prison sentence in his home stamping grounds.

In the front line of the legal battery representing the gangster chieftan will be Michael J. Ahern. He is known as one of the most astute criminal lawyers in the city. With Ahern in the case is associated Albert Fink. They will be assisted by numerous counsel.

GOVERNMENT CONFIDENT

Despite Capone's long immunity from Federal and local imprisonment, the Government is confident of victory. District Attorney George E. Q. Johnson, who is given credit for Capone's indictment on the income charge, will appear personally Tuesday for the first time during his tenure of office, to direct the prosecution.

CHICAGO ILL TRIBUNE
SATURDAY, OCTOBER 3, 1931.

JOHNSON HELD BLAMELESS IN DRUGGAN PLOT

U. S. Attorney General Reports on Inquiry.

Acting Attorney General Thomas D. Thacher in Washington yesterday issued a statement clearing United States Attorney George E. Q. Johnson and his assistants of any suspicion of complicity in the alleged plot whereby Terry Druggan and Frank Lake sought to escape punishment for their evasion of the income tax law.

THOMAS D. THACHER.
[Harris & Ewing.]

Druggan, it was reported a week ago, planned to take the witness stand in federal court when his case is called and testify that he had paid $75,000 to a lawyer to fix the case, leaving the inference that the money, or part of it, had reached Mr. Johnson's office.

Plot Investigated by U. S.

Four government agents from the special intelligence unit of the bureau of internal revenue and the department of justice have been in Chicago for several weeks investigating the plot.

While Mr. Thacher's announcement did not indicate what other evidence was found, it stated:

"The department of justice has thoroughly investigated charges recently made with reference to the handling of the Druggan-Lake income tax case by the United States attorney's office in Chicago.

"The investigation has disclosed no facts or circumstances which in any way indicate improper conduct or lack of integrity on the part of any one connected with the United States attorney's office."

Face Stiff Punishment.

Agents familiar with the case have already pointed out that if Druggan and Lake had succeeded in compromising their civil and even their criminal liability in the indictments against them they would still face punishment under an indictment charging them with attempting to cheat and defraud the government which, alone, carries a ten year prison sentence and a $10,000 fine upon conviction.

Both beer hoodlums have pleaded guilty to all the charges against them and are awaiting sentence. Their pleas are contingent upon the appeals being taken from the income tax convictions of Ralph Capone, brother of Al, and State Representative Lawrence C. O'Brien. The United States Circuit Court of Appeals has already affirmed the Capone and O'Brien convictions and the cases are before the United States Supreme court.

The sentencing of Druggan and Lake had been set for Nov. 18, but if the Supreme court has not passed upon the other convictions at that time, the date will be advanced.

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CHICAGO ILL DAILY NEWS
SATURDAY, OCTOBER 3, 1931.

U. S. PUSHES HUNT FOR FRAMERS OF DRUGGAN PLOT

Johnson Cleared of Any Suspicion in Official Statement.

Investigation of the $75,000 gang bribe-plot story, attributed to Terry Druggan in his effort to hamper federal prosecution of himself and his beer partner, Frankie Lake, on income-tax charges, was pushed anew by department of justice agents today, following the report of Acting Attorney-General Thomas D. Thatcher vindicating District Attorney George E. Q. Johnson and his aids of suspicions of "any lack of integrity" on their part.

If the beginnings of the story can be nailed down, and a conspiracy case established, persons responsible for the sensational story will be prosecuted, Mr. Johnson declared, when the plot became known.

What, if any, evidence concerning the story was found by investigators was not disclosed in Mr. Thatcher's report, made public in Washington yesterday. The report follows:

"The department of justice has thoroughly investigated charges recently made with reference to the handling of the Druggan-Lake income-tax case by the United States attorney's office in Chicago.

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In the front line of the legal battery representing the gangster chieftan will be Michael J. Ahern. He is known as one of the most astute criminal lawyers in the city. With Ahern in the case is associated Albert Fink. They will be assisted by numerous counsel.

GOVERNMENT CONFIDENT

Despite Capone's long immunity from Federal and local imprisonment, the Government is confident of victory. District Attorney George E. Q. Johnson, who is given credit for Capone's indictment on the income charge, will appear personally Tuesday for the first time during his tenure of office, to direct the prosecution.

CHICAGO ILL TRIBUNE
SATURDAY, OCTOBER 3, 1931.

JOHNSON HELD S IN PLOT

General nquiry.

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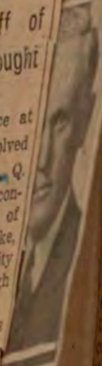

CHICAGO ILL POST
SATURDAY, OCTOBER 3, 1931.

CLEAR JOHNSON IN DRUGGAN $75,000 BRIBE CONSPIRACY

Prepare Prosecution of Plotters to Slander District Attorney.

The $75,000 bribe plot of Terry Druggan, beer runner, boomeranged today as federal officials planned prosecution of all connected with the plot, after a report by the attorney general at Washington cleared Prosecutor George E. Q. Johnson of all complicity.

The apparent intention of the plot, Johnson declared, was to blacken his character on the eve of the important prosecutio nof Al Capone on income tax charges.

Hayes Tells Plot.

The story of the "bribe" first came to the attention of officials when Harry Hayes, owner of a string of hotels, told it to agents for the bureau of internal revenue.

Assistant attorneys general from Washington launched an immediate investigation, which culminated with the announcement last night by Acting Attorney General Thomas D.

CHICAGO ILL TIMES
SATURDAY, OCTOBER 3, 1931.

U. S. Probes $75,000 Bribe Plot; Gives Johnson Clean Bill

U. S. Dist. Atty. George E. Q. Johnson was cleared of any aspersions in the Druggan-Lake income tax cases by Acting Atty. Gen. Thacher in Washington.

George E. Q. Johnson

He said a department of justice investigation "disclosed no facts or circumstances which in any way indicate improper conduct or lack of integrity on the part of anyone connected with the United States attorney's office."

Thacher's announcement was made a week after disclosures of an alleged plot by Terry Druggan, Frank Lake and others to obstruct government prosecutions under income tax laws.

It was reported Druggan was prepared to testify he had paid $75,000 to procure indemnity. Druggan planned to swear his money reached Johnson's office.

Washington, D. C. Herald
OCT 4 - 193

U. S. CONFIDENT TRIAL WILL PUT CAPONE IN JAIL

Income Tax Case Which Opens Tuesday Regarded as Test of Government's Strength

CHICAGO, Oct. 3 (U.S.).—Lines were drawn today for the bitter legal battle between "Scarface Al" Capone and the United States Government.

As the time approaches for the appearance of the king of gangsters in Federal court next Tuesday, his trial has come to be regarded as a crucial test of strength of the Federal Government.

It will determine whether Capone is too powerful to be put behind the prison bars at Leavenworth for a substantial term.

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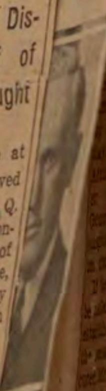

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Assistant attorneys general from Washington launched an immediate investigation, which culminated with the announcement last night by Acting Attorney General Thomas D. Thatcher.

"The department of justice," Thatcher's statement read," has thoroughly investigated charges recently made with reference to the handling of the Druggan-Lake income tax case by the United States attorney's office in Chicago.

Exonerate Prosecutor.

"The investigation has disclosed no facts or circumstances, which in any way indicate improper conduct or lack of integrity on the part of anyone connected with the United States attorney's office."

The report did not indicate whether or not a bribe was actually paid by Druggan, or if so, to whom it was paid. It was said, however, that the government's investigation was not yet completed, and that department of justice men are still in Chicago.

LOS ANGELES, CAL. NEWS
OCTOBER 8, 1931

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"And how was Mr. Capone dressed?" asked Assistant Prosecutor Dwight F. Green.

"He had on the upper part of a pajama suit, without any collar or shirt and he hadn't shaved," replied Bragg. Further questioning brought out that Capone also wore trousers.

EX-CASHIER APPEARS

Capone's smile turned to a scowl, the knife cuts in his cheek streaked red and he almost gulped his peppermint drop when the government produced Leslie A. Shumway, former cashier of the Hawthorne Smoke shop.

Shumway produced a daily entry book of the gambling house. He told the elderly jurors all about the intricacies of cashing chips for dice games, figuring roulette profits, and handling horse race bet sheets.

WITNESS BLOCKED

Green spent the afternoon trying to get Shumway to say that Capone owned the cigaretless Smoke shop. Shumway was willing enough, but Capone's attorney, Michael Ahern, had an objection every time Shumway started to name Capone as the proprietor.

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ST. LOUIS MO. TIMES
OCT. 26, 1931 N5

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Irey, who conducted the investigation of Capone's case, said that with the criminal prosecution completed special efforts would be directed to building up the civil case against the gangster.

Meanwhile investigation of income tax frauds are progressing in New York City and Pittsburgh, it was stated. Officials have declined to disclose the identity of those under investigation.

CONGRATULATE JOHNSON.

In Chicago, at the same time, civic and political leaders were expressing their satisfaction at the downfall of gangland's greatest pillar and were sending their approval and congratulations to United States District Attorney George E. Q. Johnson and his staff.

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GET BAIL FOR CAPON

Gang Baron Goes to Priso
If Efforts Fail.

(Continued from Page One.)

ably on the pleas of the convict gangster's attorneys.

Meanwhile, Al's fear of bei poisoned by enemies while in t county jail persisted today, accor ing to Warden David Moneypenn The warden said Capone has n been permitted to exercise the cu tomary privilege of sending out f food. In 1926 when Al last o cupied a county jail cell, while de tained in connection with the mur der of Assistant State's Attorn William McSwiggin, he would a cept food only from the hands Alfred "Jake" Lingle, the racketeering reporter, subsequently assassinated.

Marshal Laubenheimer refused to divulge the exact time he expects to start with Capone on the trip to prison.

"That's to protect Capone from friends—or enemies," the official explained.

Besides Laubenheimer, three special guards will accompany the gangster on the 15-hour journey. The marshal said he will put Al in irons when he goes to bed, but will the day.

92

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The chief factor which has undermined Edison's strength in the past 48 hours, Dr. Howe explained, was the increased difficulty in getting him to take fluids essential to carry off the poisons which are sapping his life. His appetite is practically gone. He recognized few persons other than Mrs. Edison.

Meanwhile eminent friends of the

CHICAGO ILL. HE & EXAM
SUNDAY, OCTOBER 25, 1931.

U. S. TO PUSH DRIVE AGAINST RACKETEERS

Government Gratified by Success of Capone Prosecution; Called Milestone in War

The government in Washington accepted the sentencing of Al Capone as another milestone in the drive against gangland's flaunting of law, according to dispatches yesterday.

To agents who pit adding machines against gangster weapons, the successful prosecution of Capone was a new stimulus.

Elmer L. Irey, chief of the internal revenue bureau's special intelligence unit, said he was "pleased and satisfied" with the sentence, and added: "There will be no letup in Chicago."

STRENGTHEN CIVIL CASE.

Attorney General Mitchell refused to break the silence he has promised to maintain as long as the Capone case is in the courts.

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[illegible] TIMES
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FRIDAY, OCTOBER 23, 1

Court Sear

BANKRUPTCY CHAMP TELLS OF BORROWING

Judge Traces Mystery Calls by Women at Terry's Former Home; Keep Watch on Flat

(Picture on Back Page.)

A long line of witnesses was searched for weapons and called to the stand in Circuit Judge Michael Feinberg's court yesterday to tell how they made loans without security from the West Central Savings Bank, Ogden av. and Roosevelt road, where Terry Druggan and his family did their banking.

The Druggans, Terry and Willie, were not to be found, but suspicion that the courtroom would be filled with their henchmen led to the pocket-searching order.

THREAT REPORTED.

Simultaneously it was reported that Druggan had threatened Andrew Dressel, president of the bank, who previously testified that Terry owed the defunct West Central an unsecured loan of $16,000.

The testimony of Louis Klusman, who occupies Terry's old apartment at 7064 Greenview av., brought a threat of action from the court. Klusman said he had met Druggan on the street about six months ago and paid him $3,000 cash for the apartment and its furnishings.

Judge Feinberg told Klusman he didn't believe his story and sent the witness back into chambers to "commune with himself" before continuing his testimony. But when the witness returned he stuck to his story and the court declared:

"I'm not gullible. There are too many like you who want to trifle with the law. Think it over again and come back at 2 o'clock."

WATCH DRUGGAN HOME.

When Klusman came back he was told his brother had been shown the transcript of his testimony and would have a little advice to offer, which the court suggested the witness heed. He ordered him to think it over and return today.

Meanwhile the Druggans' former home on Greenview av. is being

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Colorado Springs Colo. Telegraph
OCT. 10, 1931 O21

FEDERAL BUILDING, Chicago, Oct. 10 (UP)—The story of Al Capone's finances, as told from the witness stand at his income tax fraud trial today, progressed thru such items as an $8,000 telephone bill, a $6,500 meat market bill, and a $2,085 weekly hotel bill.

One witness, H. F. Ryder, 55-year-old Miami, Fla., carpenter, who built the dock and boathouses at Capone's mansion on Palm island, said he collected about $1,000 and that Capone still owed him $125.

The crescendo of extravagance being built up by United States District Attorney George E. Q. Johnson and his assistants as ~~a description of Capone's~~ life the last few years is an attempt to show that the gangster had plenty of money to pay income tax, altho he admits he never paid tax.

He is specifically charged with defrauding the government of $215,000 tax on a six-year income of $1,038,654.

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CHICAGO ILL DAILY NEWS
MONDAY, OCTOBER 26, 1931.

U. S. PROFITS THOUSANDS BY GANGSTER TAX DRIVE

The United States government has profited by $30,000,000 to $40,000,000 from its costly drive on gangsters who dodged income taxes.

District Attorney George E. Q. Johnson today made this estimate of the government's immediate profit the country over.

"Although the prosecution of these gangsters has cost the government heavily, the dividends have been surprisingly high," he said today. "Many persons who had not been paying tax read of what befell the gangst and hurried in to pay up."

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C AGO ILL TRIBUNE
SUNDAY, OCTOBER 11, 1931.

JUDGE JAILS CAPONE'S GUARD

D'ANDREA TAKEN IN COURT WITH PISTOL IN BELT

Jury Hears More of Al's Lavish Life.

BY PHILIP KINSLEY.

Gangland learned another lesson from the United States court yesterday. It is that a gangster who carries a gun into Uncle Sam's courtroom is liable to punishment for contempt.

Philip D'Andrea, bodyguard for Al Capone, and his constant companion during the gang chief's trial before Federal Judge James H. Wilkerson for evasion of income tax, was arrested yesterday at the close of the court session and will face a contempt proceeding before Judge Wilkerson at 10 o'clock tomorrow morning because a loaded gun was found in a belt on his right hip. He is being held without bail.

Locked Up Until Tomorrow.

D'Andrea was ordered locked up in the custody of the United States marshal until tomorrow morning, and there was no appeal from that. His defense is that he had a right to carry a gun as a deputy bailiff of the Municipal court, and he carried a star to show this. It was learned, however, that his appointment had expired with the advent of the new city administration, and that he had no right to the star.

This development of the Capone case took place just before noon as lawyers, jurors, and spectators were straggling out of the courtroom after listening to testimony of Capone's free use of his bankroll during his winter trips to his Florida estate.

D'Andrea, a serious looking, well dressed man, with a sharp and roving eye behind his gold rimmed specs, gathered up the brief cas

ier and boat house, $6,300 for garage

and he had been afraid to try to collect it, as he was afraid of the men around Capone and could not get near him.

Capone prompted his lawyer to put questions indicating that this man had been overpaid and that the gangster had been cheated on the contract. He frowned at this witness, although the witness, a rough workman, said that in his opinion Capone was "a mighty fine man."

Defense Piles Up Objections.

The Capone lawyers did little cross-examining and apparently are not prepared to question the facts of receipts of large sums by Capone and his expenditures. They are massing their defense upon legal objections to be argued later, touching the admissibility and value of all these things to prove a taxable income against Capone.

There have been indications in their questions that they will also attempt to show that Capone lost large sums in gambling and was always in debt. The government admits that there are several "novel" points of law to be settled before this case is decided.

Mr. Fink objected to evidence of expenditures yesterday on the ground it could have no potent value in the case.

"I think it may have," said the court in overruling the objection.

Trial to Go On Tomorrow.

The government case may be concluded by next Wednesday. Capone's attorneys have not disclosed how many witnesses they have. The government still has important evidence to present and promises that the case will end "with a bang." A session will be held tomorrow, as the jurors decided to work on Columbus day.

The stipulations by the defense over the transfer of money to Capone enabled the government to dispense with about fifteen witnesses and the case was speeded up during the morning so that twelve more witnesses were disposed of.

Details of the half day's testimony at the trial are given below.

FOTRE RESUMES STAND

John Fotre, manager of the Western Union telegraph office in the Lexington hotel, resumed the witness stand when court convened at 10 a. m. Fotre, the last witness at Friday's session, had been advised by Judge Wilkerson to "think it over" when he appeared hesitant in his testimony. It was expected that the witness would continue telling of money transfers sent to Capone in Miami by various of his henchmen, corroborating other testimony of Friday.

As Assistant United States Attorney Dwight H. Green started to question Fotre, however, Defense Attorney Ahern approached the bench.

MR. AHERN—The defendant, if it pleases the court, will stipulate, with respect to all the money transfe

first two showed that a total $7,300 had been sent to Capone Miami from the Lexington hotel obbie Barton, Jack Guzik's chau

The third transfer, addres o Albert Costa, one of Capone aliases, was for $1,000 and was from the same hotel by Charles ishetti, mentioned often before in e trial evidence as a Capone man.

These additions to the sum already in the record as having been sent to Capone raised the total of the money that reached him in Florida to $85,850.

W. T. Harris, business manager of the Southwestern Bell Telephone and Telegraph company at Miami, was then called to the stand. It was the intention of Assistant United States Attorney Jacob I. Grossman to show all of Capone's long distance calls, principally to Chicago, which were made from the gang chief's Palm Island home.

The defense objected but was overruled and a summary of the phone bills for 1928 and 1929 was introduced. The first year's total was $ 55.55 and the total for 1929 was $3,141.50. Grossman also read the totals for the next two years—$3,061.92 for 1930 and $1,226.64 from January to May, 1931.

Fink Tilts with U. S.

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JUDGE LOCKS UP GUNMAN SEIZED AT CAPONE TRIAL

Gang Leader's Bodyguard Faces Contempt Case.

(Continued from first page.)

Clerk Chris Gunther to make out a motion slip entitled "United States vs. Philip D'Andrea," and remanded the gangster to the custody of Marshal Henry C. W. Laubenheimer.

"The offense is so flagrant and the affront to the court so serious," the judge said, "that no application for bail will be considered until Monday morning."

D'Andrea was then taken by Deputy Marshal Benjamin Goldstein to the county jail.

MORE SPENDING SHOWN

Expenditures by Capone totaling $81,664.59, made during his winter sojourns in 1928 and 1929 on his estate at 93 Palm island, Miami, were proved by the government at the half-day session of the trial which preceded the arrest of D'Andrea.

It was stipulated by the defense that $77,550 of this amount was sent to Capone under various names from the Western Union office in the Lexington hotel, Chicago, one headquarters of the Capone organization. Among those who forwarded the money were Jack Guzik, who was referred to in the trial yesterday as Capone's "financial secretary"; Bobby Barton, Guzik's chauffeur, and Charles Fishetti, gangster cousin of Capone. The money transfers were shown to the jury.

Al a Princely Spender.

Capone spent money like a prince, according to the tales of the Florida witnesses who went on the stand to face their patron. One witness said he had "a roll big enough to choke an ox," and he nearly always paid in cash.

Among the items of expenditure were telephone bills of $8,385.61 for a four year period, $1,725 for draperies for his $40,000 house, $6,500 for meats during three winter visits, $1,011 for a ier and boat house, $6,300 for garage

pier and boathouse said that Capone still owed him $125 and he had been afraid to try to collect it, as he was afraid of the men around Capone and could not get near him.

Capone prompted his lawyer to put questions indicating that this man had been overpaid and that the gangster had been cheated on the contract. He frowned at this witness, although the witness, a rough workman, said that in his opinion Capone was "a mighty fine man."

Defense Piles Up Objections.

The Capone lawyers did little cross-examining and apparently are not prepared to question the facts of receipts of large sums by Capone and his expenditures. They are massing their defense upon legal objections to be argued later, touching the admissibility and value of all these things to prove a taxable income against Capone.

There have been indications in their questions that they will also attempt to show that Capone lost large sums in gambling and was always in debt. The government admits that there are several "novel" points of law to be settled before this case is decided.

Mr. Fink objected to evidence of expenditures yesterday on the ground it could have no potent value in the case.

"I think it may have," said the court in overruling the objection.

Trial to Go On Tomorrow.

The government case may be concluded by next Wednesday. Capone's attorneys have not disclosed how many witnesses they have. The government still has important evidence to present and promises that the case will end "with a bang." A session will be held tomorrow, as the jurors decided to work on Columbus day.

The stipulations by the defense over the transfer of money to Capone enabled the government to dispense with about fifteen witnesses and the case was speeded up during the morning so that twelve more witnesses were disposed of.

Details of the half day's testimony at the trial are given below.

FOTRE RESUMES STAND

John Fotre, manager of the Western Union telegraph office in the Lexington hotel, resumed the witness stand when court convened at 10 a. m. Fotre, the last witness at Friday's session, had been advised by Judge Wilkerson to "think it over" when he appeared hesitant in his testimony. It was expected that the witness would continue telling of money transfers sent to Capone in Miami by various of his henchmen, corroborating other testimony of Friday.

As Assistant United States Attorney Dwight H. Green started to question Fotre, however, Defense Attorney Ahern approached the bench.

MR. AHERN—The defendant, if it pleases the court, will stipulate, with respect to all the money [illegible]

transfers not heretofore offered. The first two showed that a total [illegible] $7,300 had been sent to Capone [illegible] Miami from the Lexington hotel [illegible]obbie Barton, Jack Guzik's chau[illegible]

The third transfer, addres[illegible]o Albert Costa, one of Capone[illegible]aliases, was for $1,000 and was [illegible] from the same hotel by Charles [illegible]ishetti, mentioned often before in [illegible]he trial evidence as a Capone man.

These additions to the sum already in the record as having been sent to Capone raised the total of the money that reached him in Florida to $85,850.

W. T. Harris, business manager of the Southwestern Bell Telephone and Telegraph company at Miami, was then called to the stand. It was the intention of Assistant United States Attorney Jacob I. Grossman to show all of Capone's long distance calls, principally to Chicago, which were made from the gang chief's Palm Island home.

The defense objected but was overruled and a summary of the phone bills for 1928 and 1929 was introduced. The first year's total was $[illegible]55.55 and the total for 1929 was $3,141.50. Grossman also read the totals for the next two years—$3,061.92 for 1930 and $1,226.64 from January to May, 1931.

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INDIANAPOLIS IND NEWS
THURSDAY, NOVEMBER 5, 1931

STATUS OF CAPONE CASE IS UNCHANGED

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The statement was made after local newspapers had interpreted a visit to the district attorney today by Michael Ahern of Capone counsel as for the purpose of instituting such action.

Johnson said the visit was concerned with only a perfunctory matter of the trial record.

Both prosecution and defense still are awaiting word from Washington, where Capone's application to bail pending the Circuit Court of Appeals action on his case will be acted upon, he said.

Philadelphia, Pa. Inquirer

NOV 5 1931

CAPONE MOVE DENIED

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DAILY NEWS
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FRIDAY, NOVEMBER 6, 1931.

BEHIND THE SCENES AT TRIAL OF CAPONE

Dwight Green, of Federal Staff, Speaks to Men of Western Springs

That there will never be another baron of booze of the rank of Capone is one of the reasons that the federal authorities are anxious to place him behind the bars, so intimated Dwight Green, United States assistant district attorney, who spoke Thursday night before an audience of men of the Western Springs Congregational church.

Some of the skirmishing that went on behind the scenes of the tax evasion trial was told by Mr. Green, as well as some of the major engagements. Green is a member of the staff of George E. Q. Johnson, who originated and carried out the income tax investigations which are so annoying to Chicago's underworld.

In a quiet, unoratorical and convincing manner Mr. Green told of the rise of the west-side dive-keeper to empire over the illicit industries. There was nothing sensational in his delivery, but every word carried its freight.

A picture of Capone and D'Andrea, the bodyguard who sees a half-year of jail facing him for carrying a pistol in court, glowering at witnesses as they were questioned on the stand, and the opposite picture of the witnesses themselves squirming and trying to get out of the pointed questions which were fired at them was drawn.

One aspect of the trial which does not seem to be public property is the fact that when the Federal court drew a venire of 100 from whom the jury was to be chosen, in some manner not related but readily understood, the defense got hold of the list and had already seen ten or so of its members. This was foiled by trading venires with another court so that the defense found an entirely different crew of men from whom the jury was to be chosen than what had been expected.

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INDIANAPOLIS IND NEWS
THURSDAY, NOVEMBER 5, 1931

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NOV 6

Racketeers Driving Big Industries to Small Cities

CHICAGO, Nov. 6 (By International News Service).—Many large industries are moving into small cities to escape racketeering, according to U. S. District Attorney George E. Q. Johnson.

Speaking before a group of railroad men, the prosecutor deeclared the big cities must place their police forces on a plane of the highest possible efficiency.

ON HILLS, ILL., ECHO
NOVEMBER 6, 1931.

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DAILY NEWS
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CINCINNATI OHIO ENQ
THURSDAY, NOVEMBER 5, 1931

GANG ROUT

Due To Public Press,

Chicago Crime Director Says—41 Of 56 Accounted For—Ralph Capone In Court Today.

Chicago, November 4—(AP)—To the press belongs credit for the conviction of Al Capone, the imprisonment of several of his leaders, and the troubles in which Chicago's "public enemies" in general find themselves, Colonel Henry Barrett Chamberlin, Operating Director of the Chicago Crime Commission, said today.

Newspapers of the nation threw the force of public scrutiny on Chicago crime conditions, and the gangster did not survive, Colonel Chamberlain said. He referred to the income convictions of Al Capone, Jack Guzik, Ralph Capone, Terry Druggan and other notorious gangsters having been obtained after newspaper publicity called the Federal Government's attention to their affairs.

"The list of Chicago's 'public enemies' is growing shorter," Colonel Chamberlain said. "Originally there were 56 of them, but public opinion and the forces of law have brought most of them to justice.

"Newspaper publicity caused public opinion to be fastened on these criminals. That opinion made itself felt. The Court records tell the story. Forty-one of them are in prison, under sentence, awaiting trial or dead. Most of the others are fugitives from justice.

"The Chicago Crime Commission will follow up the work until the last of them has received the punishment he deserves.

"For the work accomplished so far, the commission claims only the credit for giving voice to the people. Publicity and public opinion did the job, and did it well."

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CHICAGO ILL TRIBUNE
WEDNESDAY, NOVEMBER 4, 1

RALPH CAPONE IS ABSENT AS PRISON WAITS

Mystery Marks His Trail in N. Y. and Miami.

(Picture on back page.)

Mystery surrounded the movements of Ralph Capone and one of Al Capone's attorneys yesterday, while the immediate future of the gangster brothers, so far as Leavenworth penitentiary is concerned, remained uncertain.

A mittimus for the confinement of Ralph Capone in the penitentiary to serve his three year sentence for income tax fraud was received late in the day by the Untied States marshal's office, after the United States Circuit Court of Appeals had denied a stay of execution.

The stay was asked by Capone's attorney to permit him to appeal for a rehearing before the United States Supreme court which on Monday refused to review the case.

Here the Mystery Begins.

Though the stay was denied Ralph was not available for arrest on the mittimus. A photograph arrived from New York showing Ralph and Attorney Michael Ahern leaving the 20th Century Limited there on Monday morning. The photographer who made the picture said that the gangster and the lawyer were startled when he appeared and that neither would discuss their business in New York.

Mr. Ahern is one of the attorneys for Al Capone and has not represented Ralph in connection with his income tax troubles. There have been reports that the lawyer had left for Washington to seek bail for Al from the Supreme court, but dispatches from Washington said he had not applied there. Mr. Ahern's secretary said he was in Chicago but not in his office.

Ralph Also in Miami.

Ralph Capone's lawyer, George N. Murdock, informed Edward King, chief deputy marshal, that he had talked with his client in Miami, Fla., by long distance telephone on Monday night. Capone would have had to ride an airplane to reach Miami from New York by Monday night. Attorney Murdock said Ralph was taking the next train for Chicago.

The United States attorney's office notified Mr. Murdock and Ralph's bondsmen to appear at 2 p. m. tomorrow and show cause why his $35,000 real estate bond should not be forfeited. If the gangster arrives before then he will be served with the mittimus, taken into custody, and held until the next shipment of prisoners leaves for Leavenworth either Friday or Saturday night.

The federal prosecutors said they did not believe Capone would jump his bond and flee the country, but they declared his bond will be forfeited if he does not appear by tomorrow. He would then become a fugitive from justice and subject to arrest and incarceration at any time, even though his bond is forfeited.

Though the Circuit Court of Appeals refused Mr. Murdock's request for a stay of execution, the lawyer said he would send his petition to the Supreme court anyway, by air mail. The prosecutors were not concerned about this, however, for they regard it as unlikely that the Supreme court will grant a "rehearing" when it declined to review the case in the first place.

Advise Al to Go to Prison.

Al Capone was still in the county jail yesterday, where he is being held without bail pending his appeal from conviction and sentence to eleven years' imprisonment for income tax evasion.

It was learned from an authoritative source that his lawyers had advised a voluntary trip to Leavenworth, despite a supersedeas staying his confinement there, so that he might receive credit for his prison service pending the appeal. Capone's lawyers have said in court that if the Supreme court denied bail Capone would probably leave immediately for Leavenworth.

Capone's hopes of bail are slim, the prosecutors believe, because of Judge James H. Wilkerson's recent denunciation of the hoodlum's gang.

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Philadelphia, Pa.
(Morn.) Public Ledger

NOV 3 1931

TAX APPEAL LOST BY RALPH CAPONE

Government's Suit Against Brother of Gang Chief Ppheld. by Highest Court

SOON TO GO TO U. S. PRISON

Capone's $10 Causes Ex-Cellmate's Arrest

Chicago, Nov. 2.—(AP)—Al Capone's open-handed beneficence did his ex-cellmate no particular good.

"Billy" Dawson had a little chat with the wealthy gangster in the county jail a week ago today. Alphonse handed him a $10 bill, and soon Dawson was free again.

Today he was back in a cell. He asked to be quartered with Capone again and asked for thirty days, but he got only twenty days and no chumming with the gang chief. He told an Evanston magistrate he had bought the liquor that caused his rearrest for drunkenness with Capone's $10 donation.

Chicago, Nov. 2.—(AP)—The Capones were downed by the Government again today.

The United States Supreme Court stripped Ralph Capone of his last hope of escaping prison, refusing to move against Chicago gangsters, exfalse statements in an attempt to compromise his income taxes.

Within a week the Federal Prosecutor, successful in his every major move afainst Chicago gangsters, expects to have the elder Capone inside the walls of the Leavenworth Penitentiary.

The Ralph Capone case, reaching, as United States Attorney Johnson described it, "the end of the road," marked an important milestone in the Government's war on gangland.

First to Be Tried

It was the first big gangster income-tax case to be tried. It was the first to be taken to the Supreme Court. On its outcome hinged two other cases directly, several more perhaps indirectly.

Ralph Capone, "public enemy No. 3," gambler, bootlegger and first lieutenant to his younger brother, "Scarface Al," was convicted in April, 1930, and sentenced to three years by Judge Wilkerson, the same Judge who later gave Brother Al eleven years.

Unlike Al, who was jailed immediately and denied bond by two courts, Ralph was given his freedom while he appealed. As soon as official notification of the Supreme Court's decision is received, the Circuit Court of Appeals will be asked to cancel Ralph's bond and order him sent to prison.

Thus the two notorious brothers may go to prison at about the same time. Al Capone is now in the County Jail, and his attorneys have already indicated they thought he might as well be in the Federal prison where he could get credit for the time served pending his appeal.

Reporters sent up word of the Supreme Court decision to Al Capone in his jail cell with the question, "What bearing, if any, do you think the decision will have on your case?" The gangster sent back the answer, "I have no statement to make."

Not content with having the gang chief behind bars and his brother headed for them, the Government turned swiftly to a prosecution of the first man prominently mentioned as a successor to Capone.

"Dago Lawrence" Mangano, West Side lieutenant of the Capone gang and "Public Enemy No. 8," harassed by almost daily arrest since Capone was locked up, was taken over by Federal agents on a warrant in connection with deportation proceedings.

The Government charged that Mangano perjured himself when being examined for citizenship papers, that he swore he had never been convicted of a crime, whereas the records showed he was found guilty of pandering in 1911.

Dies and stamps for the making of counterfeit currency were seize… by police tonight in a raid on th… West Side headquarters of Mahga… and Jimmy Adduci, both Ca… lieutenants. Sixty-three pistol… a quantity of liquor also were …cated. Three men, Louis Scar… Peter Hoenig and Silvio F… were arrested.

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INDIANAPOLIS IND NEWS
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Philadelphia, Pa. Inquirer

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(Continued from First Page.)

walked in during the raid were seized. They are Louis Scaramuzzo, owner of the shop; Silvio Belgivello, who when awakened by the detectives said he was the gunsmith; Peter Hoinig, 509 North Union avenue, who termed himself the assistant gunsmith; Sam Triola, 5247 South Sacramento avenue, brother-in-law of Scaramuzzo, and Louis Grossi, 3718 South Wood street.

Three Turned Over to U. S.

The first three men were turned over to Capt. Thomas Callahan of the secret service because of the counterfeiting materials found in the shop. They were questioned by government agents during the night and then were booked for arraignment before United States Commissioner Edwin K. Walker.

The other two were held at the detective bureau for investigation.

Scaramuzzo said he did not know the names of the owners of the revolvers. He told police that men left them with him for repairs and that he remembered them by their faces when they returned.

Belgivello admitted ownership of the deputy's star. He said it had been issued to him in 1920 in the office of Peter M. Hoffman, then sheriff, and that he had served for a year.

Despite the unwillingness of the prisoners to talk, Chief Schoemake was convinced that the gunshop wa a quartermaster's depot for Capone gunmen, who could pick up a revolver at the shop, use it, and then drop it on the counter later to be cleaned and kept in repair.

Keep After Mangano.

The raid on his former hangout was only part of the troubles "ago Lawrence" Mangano was experiencing, as United States District Attorney George E. Q. Johnson indicated that he would delve into the possibility of indicting the hoodlum for criminal perjury in connection with his application for naturalization papers. Mangano was seized on a deportation warrant yesterday and freed on $2,500 bonds.

According to department of labor agents if the government can prove that Mangano made false statements in connection with his conviction years ago for pandering, his deportation could be expedited.

Financial Losses Cause Suicide.

Lyme, Conn., Nov. 3.—(AP)—Herman Milton Hubbard Jr., widely known traveler, late yesterday committed suicide by shooting. Financial losses were blamed for his act.

FOR perhaps the first time in his life, August Wilhelm, prince of Prussia, third son of the Former Emperor Wilhelm, has become aware of the fact that Germany is a republic. Hitherto, though debarred from the throne, the ex-rulers have enjoyed

Star

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CHICAGO ILL DAILY NEWS
TUESDAY, NOVEMBER 3, 1931

RALPH CAPONE MAY BE STARTED TO PRISON TODAY

Papers Expected from Capital; Experts Seek to Trace Seized Arsenal.

FIVE TAKEN IN RAID

BULLETIN.

The mittimus for the incarceration of Ralph Capone in Leavenworth penitentiary probably will be issued today, it was announced in the federal building following receipt of notice of the Supreme court's refusal to review his income-tax conviction. On issuance of the mittimus deputy United States marshals will start a hunt for Capone to start him for Leavenworth as soon as he is seized.

SEEK TO TRACE GUNS.

Chief of Detectives William Schoemaker today turned ballistics experts into a large and fertile field of evidence that he hopes may lead to new clews in many gang killings.

The experts on guns and projectiles in the police department, the coroner's office and the scientific crime detection laboratory had plenty of working material in sixty-two revolvers, believed to be the property of killers, found with other outlaw paraphernalia in a raid on a Capone arsenal yesterday.

Other Developments.

Other developments in the war on gangland today were:

Announcement by District Attorney George E. Q. Johnson that an assistant, James C. Leaton, would file within a day or two with the clerk of the United States District court a petition asking that "Dago Lawrence" Mangano's citizenship be canceled. If the petition is granted, after a hearing, the way will be cleared for Mangano's deportation on charges of perjury in his citizenship application.

A stay of mandate was asked by Ralph Capone's attorneys in Washington of the Supreme court, which yesterday refused to review the tax-fraud case in which Capone was sentenced to three years' imprisonment. If the stay of mandate is refused, Capone will be sent at once to the penitentiary; if granted, Capone will be allowed his liberty in bail until Nov. 30, at which time the court will rule on a petition for a rehearing of the tax case.

Raid Follows Tip.

The raid was made on a chance tip received by Detectives Thomas O'Neill and Daniel Hartnett of the pawn shop detail that some stolen shotguns might be located in a gun shop in the New Era building, 604 Blue Island avenue, long the hangout of "Dago Lawrence" Mangano until Chief Schoemaker and the immigration authorities began their campaign to banish him from the city.

Ten Guns Under Pillow.

The detectives dipped under the pillow of a sleeping man in the gunshop and unearthed ten revolvers with the numbers obliterated. They telephoned Chief Schoemaker, who went immediately into the Sou State street court, obtained a sear warrant and sped to the shop.

In a safe were found fifty-three more revolvers, the numbers also filed away. In other parts of the room the detectives found molds for counterfeiting 25-cent and one-dollar coins, a bar of imitation silver, bomb fuses and percussion caps, a deputy sheriff's star, No. 2008, some shotguns, two valises of moonshine and some fake gin labels.

Three men in the shop when the raiders arrived and two others wh

(Continued on Third Page.)

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CHICAGO ILL TRIBUNE
SATURDAY, NOVEMBER 7, 1931.

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N. Y. City Tribune

NOV 7

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Special to the Herald Tribune

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No longer need various denominations sever their ways because one creed interprets baptism as "going into the water" and another as "going down to the water.'"

This, according to Prof. Edgar J. Goodspeed, translator of the New Testament into modern English, and M. P. Smith, editor and one

Banker's Son Scheduled Before State Grand Jury Today.

Investigation of the affairs of John Bain and his chain of twelve closed banks went forward today on three fronts.

The United States, it was learned, has seized all personal books and records of the south side banker in connection with his income-tax reports.

John H. Bain, his son, was to appear before the grand jury to explain certain allegedly fradulent bond transactions involving the Armitage and Brainerd state banks.

Feinberg Resumes Hearing.

Judge Feinberg, in Circuit court, continued the search for assets of John Bain, Inc., and the banks, launched last week at the instance of the Straus National Bank company, receivers for John Bain, Inc.

Entrance of the United States into the Bain investigation was made known when bailiffs sought to serve subpoenas duces tecum for Bain's records. It was learned then that the government had seized the records after Judge Feinberg's inquiry started. Judge Feinberg said, however, that Dwight H. Green, assistant United States district attorney, promised to have the records in court in time for the hearing today.

Mysterious Woman Witness.

James Gammonley, personal secretary to Bain, was under subpoena to appear to testify today, as was a woman "mystery witness," who, it was said, would give "illuminating and sensational" testimony.

Attorneys for the receivers for Bain, Inc., said today that Judge Feinberg's investigation had not yet "scratched the surface."

DETROIT MICH TIMES
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Find Industry Moves To Escape Racket

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First of Family to Become Federal Convict Speeds by Train to Leavenworth

Special to the Herald Tribune

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With a heterogeneous assortment of national law violators, the elder Capone —he is thirty-seven, five years older than his brother, Alphonse—left the Union Station at 6 p. m. aboard a Chicago, Burlington & Quincy train which will shunt the prisoner's car into the prison yard at 8 o'clock tomorrow morning. He was sentenced to serve three years for income tax fraud in one of the first of the successful gangster prosecutions instituted by United States Attorney George E. Q. Johnson.

Ralph left Alphonse in the county jail, where he and his lawyers will decide their next move in fighting the eleven-year sentence for tax violation. No attempts to obtain Al's release on bail have been made in the United States Supreme Court, the Attorney General's office reported today.

Ralph goes to join his gang's treasurer, Frank Nitto, and another henchman, Sam Guzik.

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SATURDAY, NOVEMBER 7, 1931.

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In the November twilight, were the sixteen other prisoners and all were loaded in the United States marshal's van for the ride to the train.

Ralph found himself in the especial charge of Deputy Marshal Thompson, who commands the seven guards accompanying the prisoners.

Ralph's mother, his wife and his two sisters saw him for the last time until his return to freedom earlier in the day.

Wife and Mother at Jail.

Mrs. Capone was an early visitor, arriving at the jail at 10 o'clock, and remaining half an hour. She left weeping. The early afternoon brought the mother and the sisters, who passed newspaper cameramen swiftly, shielding their faces with their purses.

When the party of prisoners reached the station it separated. Deputy Thompson taking Capone through the baggage tunnel to the train platform to avoid attention from the crowd that filled the vast rotunda at that hour. The others marched in double file past the crowds and down the platform to the train steps.

Ralph was convicted by a jury in April, 1930, in the same court his brother was given similiar treatment, that of Federal Judge James H. Wilkerson. He was found guilty on one indictment of two counts charging attempts to defraud the government with false statements and concealments of assets in connection with a $1,000 offer in compromise. Another indictment on which he was also found guilty charged willful failure to pay income taxes and with concealing facts in the offer in compromise.

The years involved were from 1924 to 1929, and the government testimony disclosed that Capone deposited $1,871,000 in seven accounts under his own name and various aliases, at the Pinkert State bank, Cicero. The estimated unpaid tax was more than $300,000.

Capone represented himself as an insolvent race horse man in his offer to compromise. His sole assets were an interest in two horses, he declared The testimony showed that at the time he made the offer he had $25,000 on deposit in the bank.

DETROIT MICH TIMES
FRIDAY, NOVEMBER 6, 1931.

Find Industry Moves To Escape Rackets

CHICAGO, Nov. 6.—Many large industries are moving into small cities to escape racketeering, according to U. S. District Attorney George E. Q. Johnson.

Tribune
NOV 7

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No longer need various denominations sever their ways because one creed interprets baptism as "going into the water" and another as "going down to the water."'

This, according to Prof. Edgar J. Goodspeed, translator of the New Testament into modern English, and J. M. P. Smith, editor and one

Banker's Son Scheduled Before State Grand Jury Today.

Investigation of the affairs of John Bain and his chain of twelve closed banks went forward today on three fronts.

The United States, it was learned, has seized all personal books and records of the south side banker in connection with his income-tax reports.

John H. Bain, his son, was to appear before the grand jury to explain certain allegedly fradulent bond transactions involving the Armitage and Brainerd state banks.

Feinberg Resumes Hearing.

Judge Feinberg, in Circuit court, continued the search for assets of John Bain, Inc., and the banks, launched last week at the instance of the Straus National Bank company, receivers for John Bain, Inc.

Entrance of the United States into the Bain investigation was made known when bailiffs sought to serve subpoenas duces tecum for Bain's records. It was learned then that the government had seized the records after Judge Feinberg's inquiry started. Judge Feinberg said, however, that Dwight H. Green, assistant United States district attorney, promised to have the records in court in time for the hearing today.

Mysterious Woman Witness.

James Gammonley, personal secretary to Bain, was under subpoena to appear to testify today, as was a woman, an "mystery witness," who, it was said, would give "illuminating and sensational" testimony.

Attorneys for the receivers for Bain, Inc., said today that Judge Feinberg's investigation had not yet "scratched the surface."

94

CHICAGO ILL AMERICAN
FRIDAY, NOVEMBER 6, 1931.

JOHNSON CITES CRIMES' GRIP ON CITIES

Large cities are suffering from the inroads of crime and police departments must develop to a plane able to cope with modern crime in the next few years, in the opinion of United States Attorney George E. Q. Johnson.

In a talk before the Chicago Railway Special Agents and Police Association at their annual dinner, the attorney declared that many large industries were moving into smaller cities to escape racketeering. He further said:

"The day will come when the police department will be respected as the health department now is and its investigations will be no more interfered with than the quarantines of the latter.

"In the last few years much progress has been made in Chicago toward the co-operation of our law enforcing agencies. No longer at least do gangsters chase each other down the streets with machine guns.

"The attitude of indifference on the part of citizens has been changed. They realize that gangsters will not kill each other off, but that one murder breeds two."

ALLMAN SILENT.

State's Attorney Swanson in his talk said he also saw the signs of new co-operation. Police Commissioner James P. Allman merely said:

"I promise you next year at this banquet I will make a speech."

Among others at the speakers table were T. P. Sullivan, superintendent of the new bureau of criminal identification and investigation at Springfield; Walter Moody, superintendent of the state police; Sheriff William D. Meyering, John H. Alcock, deputy commissioner of police; Judge Fredrick de Young, justice of the state Supreme Court, and Henry A. Scandrett, president of the Chicago, Milwaukee, St. Paul & Pacific Railroad.

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1931 94

RALPH CAPONE GOES TO PRISON FOR TAX TERM

Al's Brother Surly as Train Leaves.

(Picture on back page.)

Ralph Capone is well on his way to Leavenworth penitentiary to become the first of his notorious family to enter a federal prison. At 8 a. m. today he will begin serving a three year sentence for income tax fraud.

The older brother of Alphonse sat hunched at a Pullman car window last night as a Burlington train sped over the western Illinois prairies toward Kansas. He was manacled to Salvatore Molinari, a narcotic law violator and one of the sixteen other government prisoners in the felon shipment.

No Friends at Station.

The train left the Union station at 6 p. m., crawled between the caissons of the new postoffice, which will be completed when Ralph returns, and moved westward. Capone sat motionless and surly, contemplating, perhaps, the absence of sentiment at his departure. His family had said goodby in his county jail cell earlier in the day, and there were no friendly faces at the station to wish him luck. There were, however, a throng of the curious and a dozen photographers. One of these came too close to Capone and was rewarded by a curse and a savage kick on the shins.

At Cicero, the train slowed momentarily. Capone straightened in his seat and gazed at the lights of the suburb. There, he may have thought, was the cause of all his troubles, for the illegal profits he concealed from the government and which led to his downfall came, in goodly part, from Cicero enterprises. There he had seven accounts in the Pinkert State bank under his own and fictitious names, and their discovery, through the long and persistent investigations of United States Attorney Johnson's aides, sent him to prison.

Crowd at Aurora Station.

On to Aurora, the first stop, went the train. As it was braked to a halt, a swarm of townspeople, advised by radio of the gangster's coming, rushed to the first coach behind the baggage car, where the prisoners rode. The vanguard caught a glimpse of the swart, hawk faced Capone, but it was momentary, for he slammed down the shade with a curse and pulled away from the window, as far as his handcuffs would allow him movement.

Flying once more through the night, Capone raised the blind and became more peaceful. He beckoned Deputy Marshal William Thompson, his keeper.

Wants to Eat in Diner.

"I'd like to eat in the diner," he said.

"Can't be done," Thompson replied, shortly.

"Well, then I'd like to have some food sent in for me and the boys." He swept his unchained hand to include the heterogeneous assortment of criminals about him. Then came a "Capone" gesture.

"I'll stand the check," Ralph added.

"I may let you do that," Thompson told him. "Wait a while."

Al Still in Jail.

Ralph left his brother, Al., in a county jail cell where he remains while he and his lawyers decide their next move in fighting an eleven year sentence for income tax fraud. No efforts to obtain Al's release on bail have been made in the United States Supreme court, the attorney general's office reported yesterday.

Ralph goes to prison to join his gang's treasurer, Frank Nitto (alias Nitti) and Sam Guzik, another Capone hoodlum. Before long, Mr. Johnson hopes Al himself and Jack Guzik, will also be behind the government's bars.

By Christmas, if his appeal is also denied by the country's highest court, as was Ralph's, it is probable that State Representative Lawrence C. O'Brien, north side Democratic legislator, will likewise enter Leavenworth for an 18 months sentence on an income tax charge. County Assessor Gene G. Oliver has appealed a three year sentence, and Chris F. Paschen, unding commissioner in the former city administration, is awaiting trial.

Holds Conference in Jail.

Ralph and Al had an hour and a half's farewell conference just prior to the former's departure from the jail for the Union station. Warden Moneypenny instructed his first deputy, George Gibson, to allow the meeting at 3 p. m. Ralph was taken by Gibson from a jail basement cell to an upper tier where his brother is quartered. They were alone until 4:30, when Gibson took Ralph back for his baggage and thence to the jail courtyard. There, shivering slightly

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1931 94

N. Y. City Times

NOV 7 1931

RALPH CAPONE GOES TO FEDERAL PRISON

Deputy Marshal Avoids Crowd as Gangster Leaves Chicago for Leavenworth.

PERMITTED TO SEE BROTHER

He and Al Have Hour-and-a-Half's Conference in Private at Cook County Jail.

Special to The New York Times.

CHICAGO, Nov. 6.—Ralph Capone, the first of his family to be sent to a Federal prison, was on his way to Leavenworth penitentiary tonight.

With a heterogeneous assortment of national law violators, the elder Capone (he is 37, five years older than Al) left at 6 P. M. on a Burlington train, which will shunt the prisoners' car into the prison yard at 6 o'clock tomorrow morning. He was sentenced to serve three years for income tax fraud in one of the first of the successful "public enemy" prosecutions instituted by United States Attorney George E. Q. Johnson.

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Ralph goes to join his gang's treasurer, Frank Nitto, and Sam Guzik, another Capone lieutenant, in the Federal prison.

Ralph and Al had a long farewell conference in the Cook County jail before the former left. They were alone for an hour and a half until deputy marshals came with a van to take the elder Capone and sixteen other prisoners away.

Ralph's mother, his wife and his two sisters were permitted to see him earlier in the day.

Mrs. Capone arrived at the jail at 10 A. M. and remained half an hour. She left weeping. The early afternoon brought the mother and the sisters, who passed newspaper camera men swiftly, shielding their faces with their purses.

Ralph Capone was morose most of the day, jail guards reported. He was not surly nor defiant and ate the jail fare for breakfast and at noon.

When the party of prisoners reached the station it separated, Deputy Marshal William Thompson taking Capone through the baggage tunnel to the train platform to avoid attention from the crowd that filled the large rotunda. The others were marched in double file through the crowd and down the platform to the train.

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CHICAGO ILL DAIL
MONDAY, NOVEMB

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JAPAN'S TROOP NEAR RUSS ZO IN MANCHU

(Continued from First Pag

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CLEVELAND OHIO PLAIN DEALER
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Within a week the federal prosecutor, successful in his every major move against Chicago gangsters, expects to have the elder Capone inside Leavenworth Penitentiary.

The Ralph Capone case, reaching, as United States District Attorney George E. O. Johnson described it, "the end of the road," marked an important milestone in the government's war on gangland.

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ster. He filed no returns for 1922, 1923, 1924, and 1925.

In November, 1926, he admitted to the government that he owed it $4,082. In 1927, he offered to compromise for $1,000, claiming that losses on two race horses he owned and other financial setbacks had taken almost all his money.

The prosecution took that letter and charged him with making false statements in an attempt to compromise

They offered evidence to show that in five years and four months preceding April, 1929, he had banked the sizeable sum of $1,851,840, much of it derived from liquor deals.

1931 95

GREELEY, COL., TRIBUNE-REP.
NOV. 3, 1931 N10

construction of the ship.

U. S. Supreme Court Denies New Trial to Ralph Capone

Washington, Nov. 2.—The supreme court "No" to Ralph Capone's plea that it review his conviction reverberated ominously today thru tax-harassed gangland.

It was the first big case involving the conviction of a notorious gangster for violating income tax laws to come to the highest court.

Moving slowly toward the same goal, however, are other similar suits. One of them is the conviction of Ralph's "Big Shot" brother, the more notorious "Scarface Al."

He is under sentence of 11 years, in addition to a fine of $50,000. His case may present somewhat different legal questions from that of his brother, but there was nothing in today's court action to dispel the moroseness that in recent days has replaced Al's usual geniality.

George Johnson, government prosecutor ~~in Chicago,~~ frankly pleased by the court action, said:

"That's the end of the road on that."

Two of Chicago's ex-beer barons also have been watching Ralph's case with extraordinary interest. Frankie Lake and Terry Druggan pleaded guilty to income tax law violations with the privilege of changing their minds if Ralph won a reversal.

As is customary in denying petitions, the court today gave no explanation of its ruling. The decision was included in a printed list of orders. The action means that the sentence of three years and the fine of $10,000 imposed on Ralph Capone stands.

His case varied slightly from the ordinary tax suit involving a gang-

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1931 95

CHICAGO ILL POST
MONDAY, NOVEMBER 2, 1931.

RALPH CAPONE LOSES LONG FIGHT

U. S. Supreme Court Rejects Review Plea.

Ralph ("Bottles") Capone, Al's brother, reached the end of his long appeal journey today when the United States Supreme court refused to review his conviction on charges of violating the income tax law.

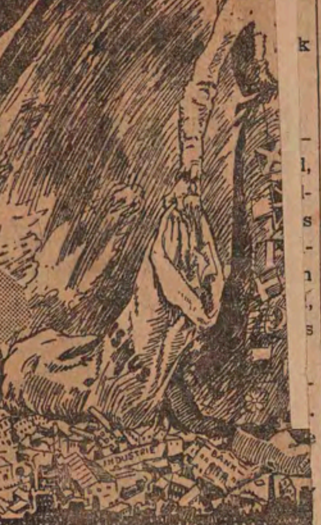
The Supreme court's decision has an important bearing on other gangster cases, particularly those of Terry Druggan and Frankie Lake, who pleaded guilty to similar charges, but were given permission to change their plea if Ralph won a review.

The action of the high court ends a three-year legal battle which began in the District court when Capone was convicted and sentenced to three years in Leavenworth and a fine of $10,000. On appeal to the Circuit Court of Appeals, his conviction was affirmed.

A record of the proceedings before the Circuit Court of Appeals when Al Capone sought and obtained a writ of supersedas and was denied bail has been sent by District Attorney George E. Q. Johnson to Attorney General Mitchell to be used by the latter in combating Capone's expected request for admission to bail by the Supreme court.

Record of the D'Andrea proceedings sent.

CHICAGO ILL DAIL
MONDAY, NOVEMBI



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Ralph Capone, "public enemy No. 3," gambler, bootlegger and first lieutenant to the younger "Scarface Al," was convicted in April, 1930, and sentenced to three years by Federal Judge James H. Wilkerson, who later gave Al eleven years.

Ralph Free While Appealing.

Unlike Al, who was jailed immediately and denied bond by two courts, Ralph was given his freedom while he appealed. As soon as official notification of the Supreme Court's decision is received the Circuit Court of Appeals will be asked to cancel Ralph's bond and order him sent to prison.

Thus the two notorious brothers may go to prison at about the same time. Al Capone is now in the County Jail and his attorneys have already indicated they thought he might as well be in the Federal Prison, where he could get credit for the time served pending his appeal.

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BACK TURNED

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Gangster Must Serve Tax Case Sentence.

Decision Reverberates In Underworld Haunts

Where Others Facing Prosecution Lurk.

Tribunal Refuses To Act In 38 Other Cases,

Including One From Lucas County, Ohio, And Another Involving Coal Dealer From Indiana.

Washington, November 2—(AP)—A gangster's plea for mercy went unheard today by United States Supreme Court.

Although 60 other cases were acted on by the tribunal before it recessed until November 23, they were minor by comparison with its refusal to review the conviction of Ralph Capone on charges of having made false statements in an effort to compromise his income tax cases.

The Supreme Court "no" to Ralph Capone's plea that it review his conviction reverberated ominously through tax-harassed gangland.

FIRST CASE OF KIND.

It was the first big case involving the conviction of a notorious gangster for violating income tax laws to come to the highest court.

Moving slowly toward the same goal, however, are other similar suits. One of them is the conviction of Ralph's "big-shot" brother, the more notorious "Scarface Al."

"Scarface Al" is under sentence of 11 years, in addtion to a fine of $50,000. His case may present somewhat different legal questions from that of his brother, but there was nothing in the Court action today to dispel the moroseness that in recent days has replaced Al's usual geniality.

PROSECUTOR IS PLEASED.

George Johnson, Government prosecutor in Chicago, was frankly pleased at word the Court had dismissed Ralph's plea. "That's the end of the road on that," he said.

Two of Chicago's former beer barons also have been watching Ralph's case with extraordinary interest. Frankie Lake and Terry Druggan pleaded guilty to income tax law violations with the privilege of changing their minds if Ralph won a reversal.

As is customary in denying petitions, the Court today gave no expla-

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DEALER
3, 1931.

APONES AGAIN

Appeal and Lieutenants rested.

—(AP)—The Ca- by the govern-

Supreme Court Capone of escaping prison, re- his conviction f statements in an at- compromise his income

the federal prosecu- every major gangsters, ex- the elder Capone in- Penitentiary.

The Ralph Capone case, reaching, District Attorney Johnson described it, road," marked an milestone in the govern- war on gangland.

It was the first big gangster in- to be tried. It was the first to be taken to the Supreme outcome hinged two directly, several more indirectly.

Ralph Capone, "public enemy No. 1" gambler, bootlegger and first

Al Capone is now in the County Jail and his attorneys have already indicated they thought he might as well be in the Federal Prison, where he could get credit for the time served pending his appeal.

Reporters sent up word of the Supreme Court decision to Al Capone in his jail cell with the question, "What bearing, if any, do you think the decision will have on your case?" The gangster sent back the answer, "I have no statement to make."

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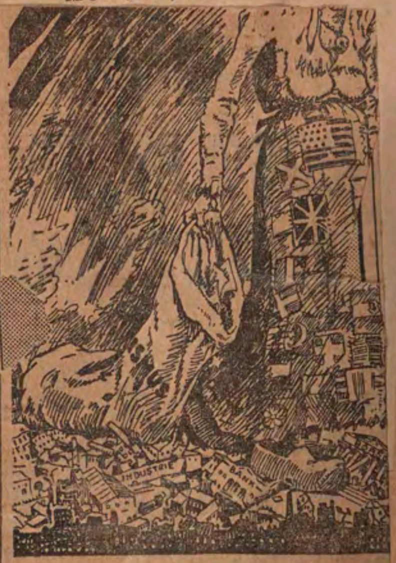
ster. He filed no returns for 1922, 1923, 1924, and 1925.

In November, 1926, he admitted to the government that he owed it $4,082. In 1927, he offered to compromise for $1,000, claiming that losses on two race horses he owned and other financial setbacks had taken almost all his money.

The prosecution took that letter and charged him with making false statements in an attempt to compromise

They offered evidence to show that in five years and four months preceding April, 1929, he had banked th sizeable sum of $1,851,840, much of i derived from liquor deals.

CHICAGO ILL DAILY NEWS
MONDAY, NOVEMBER 2, 1931.



The world's finan
[Vienna

JAPAN'S TROOPS NEAR RUSS ZONE IN MANCHURIA

(Continued from First Page.)

transfer 600 soldiers, some to Supingkai, Manchuria, and others to Taonan and Chenchiatun, Mongolia, just across the Manchurian line. About 600 troops will remain at Kirin to protect Japanese interests.

The vernacular press continued to publish rumors saying the Russians were massing troops at Pogranichnaya and Manchuli, on the eastern and western boundaries of Manchuria, but in Russian territory.

CHIANG RAPS CANTONESE AS TRAITORS TO CHINA

BY REGINALD SWEETLAND.

SPECIAL CABLE
To The Chicago Daily News Foreign Service.
Copyright, 1931, The Chicago Daily News, Inc.

Shanghai, China, Nov. 2.—Blazing with indignation, Gen. Chiang Kai-

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fice, Mr. Lloyd George declares that capitalism has equally failed to solve world or national problems. The election, he says, is a travesty of misrepresentation, where the conservatives got one member elected for every 20,000 votes, but more than 144,000 votes were required to elect one labor member.

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TUESDAY, NOVEMBER 3, 1931.

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CLEVELAND OHIO PLAIN DEALER
TUESDAY, NOVEMBER 3, 1931.

U. S. PUTS CAPONES "ON SPOT" AGAIN

"Bottles" Loses Appeal and Two of Al's Lieutenants Are Arrested.

CHICAGO, Nov. 2.—(AP)—The Capones were downed by the government again today.

The United States Supreme Court stripped Ralph (Bottles) Capone of his last hope of escaping prison, refusing to review his conviction for making false statements in an attempt to compromise his income taxes.

Within a week the federal prosecutor, successful in his every major move against Chicago gangsters, expects to have the elder Capone inside Leavenworth Penitentiary.

The Ralph Capone case, reaching, as United States District Attorney George E. O. Johnson described it, "the end of the road," marked an important milestone in the government's war on gangland.

It was the first big gangster income tax case to be tried. It was the first to be taken to the Supreme Court. On its outcome hinged two other cases directly, several more perhaps indirectly.

Ralph Capone, "public enemy No. 3," gambler, bootlegger and first lieutenant to the younger "Scarface
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CHICAGO ILL DAILY NEWS
SATURDAY, OCTOBER 31, 193

Mangano Is Seized In Raid by Police And Federal Men

Hoodlum No. 4 Wanted for Robbery Showup and Alien Quiz.

CITIZENSHIP CHECKED

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The vacancy will be filled when congress reconvenes in December.

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TUESDAY, OCTOB

CHIEF WIT IN RALPH CASE V

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The witness, whose Rue withheld, was said rum runner who used bring liquor from Cana supplying the Capone trucks hauled the booz He turned informer wh hibition agents caught came to Chicago, an the agents in Cice dence against the gang club and the Montmart

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CHICAGO ILL HER &
MONDAY, OCTOBER 26,

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Special Guards and 'Irons' Ready for Prisoner.

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Lawyers Make Last Move; Hopes Slight.

Al Capone's "syndicate" has gained control of the national liquor business and is reaping a profit of unbelievable millions. Details on Page 3.

Federal officials are ready to start Al Capone to Leavenworth penitentiary today to begin his sentence of eleven years for income tax evasion. Train reservations have been made and special guards selected to accompany the convicted gangster.

But before Capone leaves, t courts will be asked to give hi his freedom on bond pending a appeal. Defense attorneys worke late last night on their last desperate stand.

RENEW STAY MOTION.

Michael Ahern and Albert Fink, Capone's lawyers, will make their first appeal to Federal Judge James H. Wilkerson, who imposed upon "Scarface Al" the stiffest penalty ever inflicted for evasion of income taxes.

They will renew their applicatior this morning for a stay of sentence refused Saturday by the judge. I that is granted they will ask C pone's release on bond. If the is granted, but liberty on bai nied, Capone will remain county jail while his case pealed. Procedure of appe ccupy from a year

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CHICAGO ILL TRIBUNE
SATURDAY, OCTOBER 31, 19

U. S. GETS READY TO TRY PASCHEN INCOME TAX CASE

With Al Capone's case out of the way, except for the preparation of a brief and arguments to combat his appeal; federal prosecutors are starting to work on the evidence against Christian P. Paschen, former city building commissioner, who is next to be tried in the government's income tax campaign.

Paschen was indicted in March on charges of trying to evade $113,000 in taxes on a total income of $567,000 for 1927 and 1928. The case is to be called on Nov. 15 to be set for trial. United States Attorney George E. Q. Johnson said he would request an early date, but that the government would need some time to prepare its case. Since Assistant United States Attorney Dwight H. Green and Jacob I. Grossman have had to defer their the Paschen trial before January.

The trial, like that of Gene G. Oliver, member of the board of assessors, who is under sentence of eighteen months, is expected to disclose flagrant misconduct in office, the prosecutors say. Bribes for fixing taxes were traced to Oliver in the testimony at his trial and charges that bribes were solicited and paid in Paschen's office have been made in a civil proceeding.

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LAST CAPONE

Continued From First Page.

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Washington, D. C. Times
OCT 28 1931

TAX DRIVE GAINS $30,000,000

CHICAGO, Oct. 28.—The Government has profited by $30,000,000 to $40,000,000 from its costly drive on gangsters who dodged income taxes.

CHICAGO ILL TRIBUNE
TUESDAY, OCTOBER 27, 1931.

CHIEF WITNESS IN RALPH CAPONE CASE VANISHES

Assistant United States Attorney Victor E. La Rue yesterday announced the disappearance of the government's principal witness in the dry law conspiracy case against Ralph Capone and seventeen of his Cicero men.

The witness, whose name Mr. La Rue withheld, was said to be a former rum runner who used an airplane to bring liquor from Canada to Detroit, supplying the Capone gang, whose trucks hauled the booze to Chicago. He turned informer when special prohibition agents caught up with him, came to Chicago, and worked with the agents in Cicero obtaining evidence against the gang at the Cotton club and the Montmartre.

The case is to be set for trial by Federal Judge John P. Barnes today and Mr. La Rue will ask a sufficient delay to enable the special dry agents to find the witness, if he is alive.

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"Although the prosecution of these gangsters has cost the Government heavily, the dividends have been surprisingly high.

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IN IRONS AT NIGHT.

"Irons will be put on Capone when we go to sleep," the marshal said. "If he behaves, he won't have to have them on during the day. But if he doesn't behave, he'll get irons and then some."

Ordinarily, prisoners are taken to Leavenworth in a special car which is routed right to the prison gates, since a number are taken at one time. Because a special car is not being chartered for Capone, it will be necessary to change trains at least once and complete the journey to the prison by bus or taxicab. The marshal said he probably will engage a taxicab for the last lap. The whole trip will take more than fifteen hours.

Laubenheimer decided to keep secret the time Capone is to leave and by what railroad.

"That's to protect Capone from friends—or enemies," he mentioned.

WITH OLD FRIEND.

The gangster spent Sunday in cell D-5 at the county jail, next door to his bodyguard and advisor, Philip D'Andrea, who comes up for sentence today before Judge Wilkerson on a citation for contempt.

D'Andrea was seized two weeks ago in the judge's courtroom in possession of a revolver he had carried to court daily through the trial.

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N. Y. City Times

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Special to The New York Times.

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By May Christie

HICAGO AMERICAN

EVENING

SECOND NEWS SECTION

CHICAGO, TUESDAY, OCTOBER 27, 1931

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Teachers Exhaust Resources; Face Starvation

Unpaid school employes have just about exhausted their borrowing power and will face a Winter of starvation unless help is given soon.

According to Miss Agnes Clohesy, chairman of the join board of the teachers' unions, the desperate needs of the teachers is evidenced by the fact that more and more cases of want are being reported at the headquarters of the organization.

CITES EXAMPLE.

Speaking of the vast amounts of money the unpaid school employes have had to borrow in order to live, Miss Clohesy said:

"A West Side teacher came to me today. She is a widow with three children and she is frantic with worry over the money she has had to borrow. But what worries her even more is that she does not know where she is to get more.

"From friends and relatives she got about $250. About $350 more she got from loan companies where she has to pay exorbitant interest. And her bills are more than $300 for two of her little girls have been ill in the hospital.

CREDIT EXHAUSTED.

"Her friends cannot afford to give her more and her credit is exhausted. She is in real need and unless help comes soon she does not know what she will do."

Officials of the teachers' unions are attempting to relitve the situation by arranging temporary loans, and by sending out questionnaires to find out the real condition existing among the unpaid school employes.

PROSECUTOR OF CAPONE LAUDS MOVEMENT

A follow-up drive to "smash the syndicates" headed by Al Capone and other gangsters and deliver a knockout blow to gunmen and criminals is urged by George E. Q. Johnson, United States district attorney, who has been universally praised for the prosecution which resulted in the heav prison term imposed on Capone.

Judge F. J. Stransky.

In a telegram made public today addressed to Robert Isham Randolph, president of the Chicago Association of Commerce, the United States prosecutor said:

"Your statement in The Chicago American Saturday should be made the foundation for future activities to curb lawlessness in Chicago. It is the plain truth. I congratulate you and thank you for this courageous statement."

District Attorney Johnson ferred to an interview pr

CHICAGO ILL TRIBUNE
FRIDAY, OCTOBER 30, 1931.

1931 96

FORMERPALATINE BANK PRESIDENT INDICTED BY U.S.

Ralph L. Peck Denies Embezzlement Charge.

Ralph L. Peck, 57 year old Chicago attorney and former president of the First National bank of Palatine, was brought before Federal Judge Walter C. Lindley yesterday, where it was revealed that he was indicted by the last grand jury for alleged embezzlement of $29,655.50 in bank funds. He was released on his own recognizance until arraignment.

Mr. Peck was for twenty-five years village attorney of Palatine. He denied at his home last night that he is guilty of the charge, asserting that it grew from disagreements with the board of directors. Actually, he said, the bank owes him $15,000. He helped organize the institution, he said, and was its president for twelve years, resigning a year ago.

U. S. Reveals Charges.

According to Assistant United States Attorney Owen A. West, the bank directorate learned of the alleged defalcation and forced Peck's resignation. The indictment charges that he converted to his own use funds which reached the bank as payments on outstanding loans.

The first affirmed theft took place on Dec. 18, 1928, the grand jury was told, and the remainder was taken at intervals until Sept. 17, 1929.

Peck Denies Charges.

"That is not true," said Mr. Peck. "I got out because I didn't like the way loans were being made at the bank. I didn't swindle any one. My work and my reputation here in Palatine are an open book. While I was village attorney I was responsible for more than $1,000,000 worth of village improvements."

Mr. Peck now has law offices at 100 West Monroe street. He is a graduate of the University of Chicago law school, a member of the Hamilton club, is married, and has two sons. He told Judge Lindley that he could not raise the $5,000 bond set by the grand jury, but that he had no intention of failing to face the charges against him. The court, accordingly, allowed him liberty on his word.

1931 96

CHICAGO ILL TRIBUNE
SATURDAY, OCTOBER 31, 1931.

WORTHINGTON, LAND PROMOTER, GETS 5 YEAR TERM

(*Picture on back page.*)

Clyde L. Worthington, "fig land" promoter, was sentenced to serve five years in the Leavenworth penitentiary, and his office manager, Mrs. Eleanor Freiburger, was sentenced to a year and a day by Federal Judge John P. Barnes yesterday. They were found guilty by a jury of using the mails to defraud on Wednesday.

Through the operation of his real estate business Worthington fraudulently obtained $100,000 from Chicago investors, according to Assistant United States District Attorney Francis Kennedy, who prosecuted the case.

Judge Barnes fined Worthington $2,700. After the sentence was imposed the defendants made a motion for new trial, which was denied. Worthington's appeal bond was set at $7,500 and Mrs. Freiburger's $2.500.

During the ten days' trial Prosecutor Kennedy placed fourteen witnesses on the stand. Most of them were widows. All testified that Worthington had persuaded them to invest their money in his Arizona "fig lands," with the promise of a 16 per cent return on their venture, but that they had never received a cent.

1931 97

CHICAGO ILL TRIBUNE
TUESDAY, NOVEMBER 10, 193

U. S. PLANS TAX CASES AGAINST POLICE CAPTAINS

Agents Get Evidence on Officers' Incomes.

The prosecution of a number of police captains on charges of income tax evasion is planned as the next phase of United States Attorney George E. Q. Johnson's campaign to "expose a cross section of official gangsterism." Indications yesterday pointed to grand jury action against six or more of Chicago's police captains by Feb. 1.

Assistant United States Attorney Dwight H. Green was summoned to Washington to confer with his superiors there, and it was reported that cases against the police captains would be discussed. Mr. Green is chief solicitor for the Chicago bureau of internal revenue and is a special member of Mr. Johnson's staff, so that he can go before the grand jury with income tax cases.

Investigated for a Year.

The police captains have been under investigation for approximately a year and during that time more than twenty cases have been forwarded to Washington by the intelligence unit of the revenue bureau. Before the cases may be presented to the grand jury, the prosecutors must obtain the permission of the commissioner of internal revenue, and it is customary for them to confer first with the general counsel of that bureau.

It is understood that District Attorney Johnson himself will go to Washington late this month to take up the captains' cases.

Some work remains to be done on the captains' cases, according to federal investigators, and the prosecutors are devoting most of their time at present to preparation of their income tax case against Christian P. Paschen, former building commissioner, who is to be tried in December or January. Action against the police captains is expected to follow the Paschen trial.

Captains' Checks Seized.

In their investigation of the financial affairs of the police officials, federal agents, it was learned, seized 1,400 canceled pay checks from the city. Indorsements on these checks gave the investigators clews to the captains' associates, some of whom are said to have been hoodlums, and the manner in which many of the checks were deposited led to the uncovering of secret accounts.

The agents declare that many of the captains whose incomes have been considerably in excess of their salaries cannot be prosecuted criminally since most of them have families, entitling them to minimum deductions of $3,500 in addition to the salary, which is tax exempt. Criminal cases are not ordinarily instituted unless the all fraud is flagrant, but even so agents say that sufficient evidence has been unearthed to justify the indictment of at least six captains.

The others who failed to make income tax returns on a gross income of $5,000 or more would be asssessed delinquent taxes, interest and penalties, and permitted to settle with the government.

It is reported on good authority that less than one-third of the fifty-four captains in Chicago have filed any returns at all, and it is a misdemeanor for any man with a gross income of $5,000 or more to fail to file, even though legitimate deductions preclude the assessment of taxes.

Gangsters Face Exile.

Prosecution of the police officials would extend the government's general campaign against criminals and crooked public officials. Besides the income tax weapon, the government is using the deportation process against criminals who are aliens. Tony [Mops] Volpe, Dago Lawrence Mangano, "Tough Tony" Capezio, Domenico Roberto, and other Capone gangsters are facing exile.

The income tax prosecutions have resulted in the exposure of official corruption. In addition to the indictment of Paschen they have brought about the conviction of Gene G. Oliver, member of the board of assessors, the conviction of State Representative Lawrence C. O'Brien, and the indictment of half a dozen contractors doing work for the sanitary district.

1931 97

The Judge Who Got Capone

Federal Judge Wilkerson Gave America New Hope When He Sent the Gangster Away for Eleven Years

By Seth H. Moseley

Al Capone

Federal Judge Wilkerson

A QUIET-SPEAKING man, who, in his undergraduate days at a western university often told his chums he wanted to become a "good" lawyer, is pointed out today as The Man Who Caught Capone. He is Federal Judge James Herbert Wilkerson, a mild-mannered man who interprets the statutes as he reads them — a judge without personal fear.

Alphonse "Snorkey" Capone, most infamous gangster in America, had little admiration for Wilkerson. Wilkerson was a member of the small circle who refused to be intimidated. And yet "Snorkey," prior to his eleven-day trial before the sixty-three-year-old judge, was not worried. He appeared before the Bench, unabashed. His lawyers were armed with age-old arguments; his henchmen were in sight.

On the eleventh day of court proceedings, Al Capone clearly showed a strain as he followed intently every word and gesture of the Federal Judge. Al was nervous. Two weeks prior, he had been found guilty of failing to pay an income tax during the years 1924-28. The jury had decided he had "attempted to evade and defeat" payment during three of those years.

Now he was to be sentenced. He sucked noisily on a coughdrop, nursed a sore thumb. Judge Wilkerson eyed him at the most dramatic moment. He was nervous too, as, in a low voice he ordered the gangster to stand up. Slowly, taking his time, never taking his eye off Capone, he sentenced him to the limit—seventeen years in prison and $50,000 in fines. The drama was over.

A moment later, Capone realized, however, he would not spend seventeen years in prison. Judge Wilkerson explained the sentence in detail; for the felony of attempting to evade tax payments during three years his sentence was five years for each offense. Two of the terms, however, were to run concurrently. For failing to pay up the other two times he received one year each, but these two terms also were to run concurrently. Capone faced an eleven-year term, and had to pay $50,000.

Was this a severe test for the country's badman? Perhaps not, in face of his scarred record. And yet Judge Wilkerson was not in any respect lenient. He set out to see that Capone spent time in prison and he won. He explained it in this way:

Capone's sentence of six months for contempt of court, which he has not yet served, might run concurrently with the felony sentences, so that Capone would not have to serve more than eleven years; BUT, in case a higher court overruled his sentence on the three felony counts, thereby cutting ten years from the sentences, the two misdemeanor sentences and the sentence for contempt must be served consecutively. Thus Wilkerson made it as sure as possible that the Chicago Czar spent at least two-and-a-half years in jail.

When Capone stood there twiddling his sore finger against his whole ones before the Bench and heard the order consigning him to imprisonment, a notable victory was tallied in the United States Government's major battle against gangsters.

Washington naturally is doubly interested in the man who handed out the sentence. They are urging him to be a candidate in the April Republican primary for Governor of Illinois. But Judge Wilkerson intimates that his personal desire is to remain on the Federal Bench where he is due for promotion to the Circuit Court of Appeals, it is understood.

The contrast of those two men standing there in that court was an amazing one. One, an honest citizen. was faithfully and fearlessly carrying out a routine part of a $10,000 yearly job; the astounding character standing before him had won and lost $10,000 time and time again betting on horse races. One was the product of a fine bringing up and the qualities brought about by educational facilities; the other was the leader of a sector of the greatest internal war waged in the United States during the present century—"Public enemy No. 1."

Thus ended the greatest courtroom victory in years. Three years ago George E. Johnson, United State District Attorney, had started a lengthy campaign directed at Capone and his leading henchmen. He worked laboriously in digging up impressive records of evidence. It was Capone he wanted. And it was Capone that Judge Wilkerson finally got.

Federal Judge Wilkerson is not a sensational personality; he has none of the glamour that Ben Lindsey and the more colorful men of the West have brought to us. But the country gives this man due credit for the masterful handling of the Capone case.

He's sixty-three years of age, and looks considerably younger. He looks and acts the college professor, a position he once held following his graduation from De Pauw University. He hadn't been out of college two years when he married. It was then he returned to his alma mater where he was on the teaching staff.

Practicing law in Chicago, Wilkerson forged ahead. In [illegible] he was a member of the Illinois House of Representatives. A year later he became a county attorney in Cook County and by 1911 he had become the United States Attorney of northern Illinois.

In 1919 he accepted chairmanship of the Public Utilities Commission. and since 1922 he has been district judge for the northern district of Illinois.

When Capone first appeared in court ready to plead guilty and accept a sentence of two years' imprisonment, Judge Wilkerson indignantly refused to be bound by any such "bargain" between the defense and prosecution.

He was in duty bound to inflict a heavier penalty when the jury finally convicted Capone. Capone's conviction for income tax frauds is an extraordinary instance of the way in which the long arm of the Federal Government can reach out and catch a criminal who has defied local authorities.

Wilkerson summed it up simply by pointing out Capone as a "menace to the administration of justice." He was thorough in his flaying and showed this thoroughness by "getting" one of Capone's bodyguard, Philip D'Andrea, alleged to have remained at Al's side in the courtroom with a loaded revolver under cover.

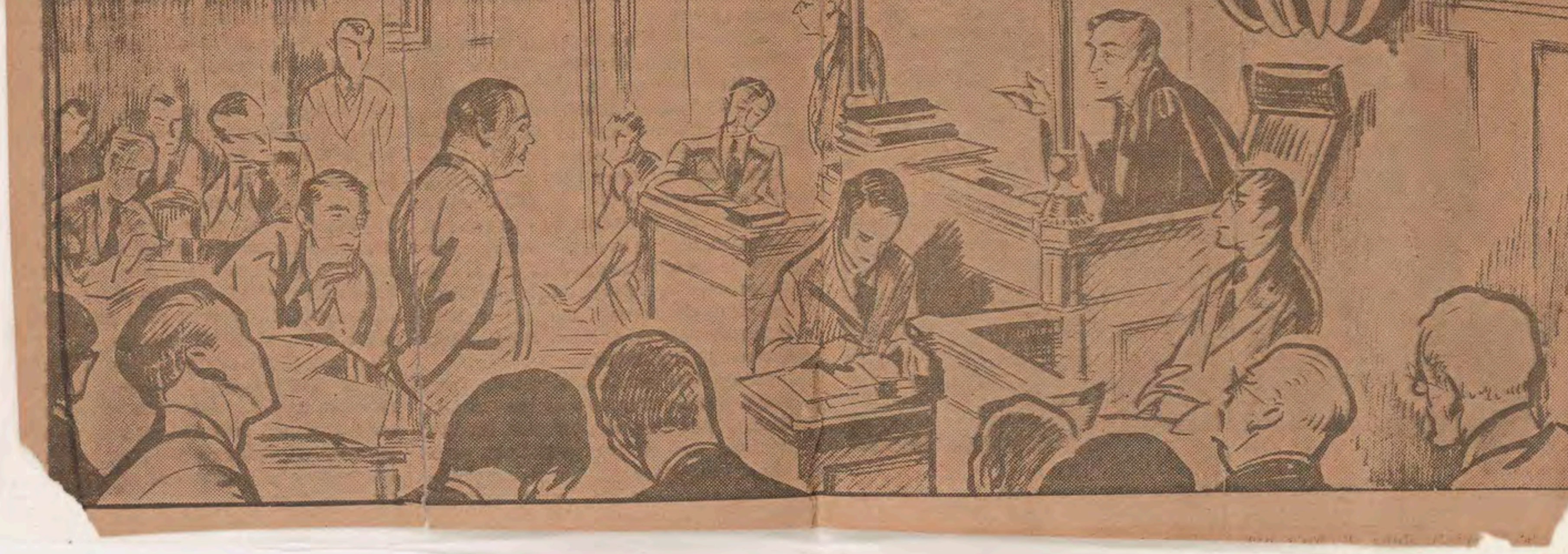
And when Wilkerson got through, D'Andrea, prominent south side ash carrier, who according to his attorneys, was one of the sweetest citizens that ever carried a gun into a courtroom, was sentenced to jail for contempt of court.

It was in this finale of a series of climaxes that Wilkerson shone. Listen to him:

"It appears clearly that from the facts and circumstances before the court in this proceeding, and of the trial of the United States versus Capone that this respondent's activities were linked with those of an organized body of men whose outlaw camp is at the Lexington Hotel. Of this body the defendant, Capone, was chief.

"The respondent claims that he did not know what this band was doing, but his understanding is that they are engaged in gambling and bootlegging. It is perfectly clear from a long array of conclusive circumstances that this band exercises a coercive influence over those with whom they come in contact . . . the court would have been blind indeed if it had not observed the intimidation practiced on witnesses almost under the eye of the court."

Wilkerson has stripped Capone of his tremendous power, he has rid the country of an evil that was allowed to exist too long.



1931 97

CHICAGO ILL TRIBUNE
FRIDAY, NOVEMBER 20, 1931.

LAW ENFORCERS PLAN FURTHER WAR ON CRIME

Alcock Tells of Group's Accomplishments.

More than 200 members of the Chicago regional group of law enforcers, comprising chiefs of police, sheriffs and other peace officers in the metropolitan area, met yesterday in the police building at 11th and State streets to discuss means of further combating crime. It was their second annual meeting, the first having been held at the University of Chicago last year.

"In our one year of existence we have already accomplished much," Deputy Police Commissioner John H. Alcock, chairman of the meeting, said. "Not only have we infused a sense of responsibility and of coöperation between the various law enforcing officers since our organization, but we have acquired one of the most effective weapons in state wide criminal control in the passage by the legislature of a law providing for a state bureau of identification."

Law Enacted by Assembly.

The law was enacted by the legislature at the last regular session through the efforts of the organization, Deputy Commissioner Alcock said, and through the bureau the records and finger prints of every criminal arrested in the state will be placed on file, and copies sent to police departments and the bureau of criminal investigation in Washington. P. T. Sullivan of Springfield has been named by Gov. Emmerson to head the bureau, Alcock said, but a sum must be appropriated by the legislature for its maintenance.

Deputy Alcock told of the benefits of the police radio system in the metropolitan area and recommended that the device be adoptd throughout the state.

Loesch Urges State Force.

A state-wide police organization with a single chief, large enough to police all municipalities and the rural districts was recommended by Frank J. Loesch in an effective control of crime.

"If the police do not function effectively there is not value to the services of prosecuting officers, juries, and courts," he said. "The latter three depend on the police to carry on their duties. The law breakers must be caught before they can be indicted, prosecuted, and tried."

United States District Attorney George E. Q. Johnson stressed coöperation in his talk before the group. He enumerated four factors in the effective control of crime: the court, the jury, the prosecutor, and the police.

State's Attorney Swanson dwelt on the need for the proper preparation of evidence by the police and promised full coöperation by his office.

Judges Are Speakers.

Other speakers were Municipal Judge Frank M. Padden, Chief Justice Harry M. Fisher of the Criminal court, and Harry Olson, former chief justice of the Municipal court.

All officers of the organization were reëlected before the meeting adjourned. They are: Deputy Alcock, president; Sheriff William D. Meyering, first vice president; District Attorney Johnson, second vice president; Judge John P. McGoorty of the Superior court, third vice president; Lieut. Col. Calvin Goddard, fourth vice president; Sergt. F. E. Lyman of Wheaton, secretary; Sheriff J. F. Hesterman of D. Page county, treasurer, and Police Chief J. Shupryt of Calumet City, sergeant-at-arms.

1931 97

CHICAGO ILL DAILY NEWS
THURSDAY, NOVEMBER 19, 1931.

C. A. C. TO PUSH ON WITH WORK OF 'SECRET SIX'

Until "Scotland Yard" Can Take Its Place, Randolph Tells Session.

Th "secret six," the Chicago Association of Commerce committee for the prevention and punishment of crime, will continue to battle organized crime in Chicago until the police department's Scotland Yard can take its place, Col. Robert Isham Randolph told the Chicago Regional Group of Law Enforcing Officers in the South State street police building today.

Col. Randolph made the statement in explanation of an inference placed on remarks he made at an association luncheon in the Hotel LaSalle yesterday.

His statement follows:

"The suggestion that the 'secret
six' is going out of business an
entirely unwarranted inferen
any remarks that I might hav
yesterday," said Col. Randolph

"I did say that we looked
hopefully to the time when
by volunteer citizens would n
be necessary to preserve la
order in Chicago, and that w
encouraged to believe that the
ress already made by the ne
ministration in the reorganization of the police department may speed that time.

"In the meantime we shall continue the operations of the 'secret six' and we have sufficient financial and moral support to continue it as long as it may be necessary."

Reveals Plea for Bell.

Col. Randolph told the group he had made a plea to Gov. Emmerson that Frank Bell, under death sentence for the murder of Chris Patras, be given instead a term of 150 years in prison.

"The man cleaned up sixty-three robberies, a Minneapolis bank robbery, a big federal case, and saved the lives of the Cook county jail warden and his deputies," said Col. Randolph. "I believe we should recognize what he has done by asking clemency for him."

United States District Attorney George E. Q. Johnson, another speaker, said: "I hope some day to be
able to make public what the 'secr
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First Deputy Polic
John H. Alcock, p
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Loesch Advocates Unified Force.

Frank J. Loesch advocated a statewide police organization.

"The ideal organization, of course, would be a statewide police organization which would have, under the control of its chief, a single police force, large enough to dominate and police every city, town and village and the rural districts of the state and dispense with the numerous and often inefficient police of so many hundreds of municipalities throughout the state of Illinois.

"That organization would keep in touch with similar state organizations of the surrounding states. Ultimately that's what we must come to, but as that is a dream of perfection and will be some years in coming, voluntary organizations like this, in which you have associated you
selves, are a necessity."

CHICAGO ILL
TUESDAY, NOVEMBE

JOHNSON TO CONFE WITH SUPERIORS ON CAPTAINS TAX EVASION

Called to Washington for Conference on Grand Jury Action.

District Attorney Johnson, it was reported today, is preparing to go to Washington in connection with the prosecution of a number of police captains on charges of income tax evasion. Assistant District Attorney Dwight H. Green has already bee summoned to Washington to conf with his superiors there, and it w reported that cases against the poli captains would be discussed.

The police captains have been under investigation for approximately a year and during that time more than twenty cases have been forwarded to Washington by the intelligence unit of the revenue bureau. Before the cases can be presented to the grand jury, the prosecutors must obtain the permission of the commissioner of internal revenue.

In their investigation of the financial affairs of the police officials, federal agents, it was reported, seized 1,400 canceled pay checks from the city. Indorsements on these checks gave the investigators clues to the captains' associates, some of whom are said to have been hoodlums, and the manner in which many of the checks were deposited led to the uncovering of secret accounts.

The agents declare that many of the captains whose incomes have been considerably in excess of their salaries cannot be prosecuted criminally since most of them have families, entitling them to minimum deductions of $3,500 in addition to the salary, which is tax exempt. Criminal cases are not ordinarily instituted unless the alleged fraud is flagrant, but even so the agents say that sufficient evidence has been unearthed to justify the indictment of at least six captains.

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CHICAGO ILL DAILY NEWS
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SCAN AUDITOR'S RECORDS.

The records which Mr. Edgerton produced were said to include auditor's reports and memoranda the West Englewood Bank. Alleged manipulation of a trust fund in this bank resulted in true bills being reported voted against Bain and W. Merle Fisher, his son-in-law.

Mr. Ayers admitted that completion of the inquiry into this bank has been delayed because of "net records." He would not admit those records were Mr. Edgerton's, although they are the only new

Turn to Page 4, Column 2.

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CHICAGO ILL TRIBUNE
SUNDAY, DECEMBER 6, 1931

FRANK M. McKEY HEADS BOARD OF SOUTH SHORE 'Y'

Geo. E. Q. Johnson Leads Membership Drive.

Frank M. McKey, chairman of the board of the Jackson Park National bank, has been announced as chairman of the executive committee of the South Shore Y. M. C. A., now in process of organization. United States District Attorney George E. Q. Johnson is chairman of the organization committee, which has set a goal of 300 governing members to back the new "Y" department to the extent of $8,600.

FRANK M. McKEY.

Although activities are not scheduled to get in full swing until early January, an office is to be opened to-
morrow at 2442 East 75th street
drew J. Reed, formerly of t
Chicago Y. M. C. A., will be
as executive secretary.

The appointments of Mr
and United States Attorney
were made several weeks ag
nouncement was withheld v
began work quietly on the
for members and cash. M
takes the place of Bernard
son, who has moved out o
trict since he became ch
the executive committee
movement was started in
Other members of the comn
Dr. David W. Phillips,
Holmes, Oscar Fineman, and
C. Clemensen, president of the South Shore Chamber of Commerce.

First 125 Pay $3,000.

A report given out last week by Mr. McKey showed 125 signed members who have paid almost $3,000. Team captains working under U. S. District Attorney Johnson are Elmer M. Walsh, president of the South Bryn Mawr Improvement association; LaVerne Latham, Paul Spink, Charles Bradley, Mr. Fineman, and Mr. Clemensen.

Prior to the team organization a few weeks ago 41 members had been obtained. Of those who have joined since that time Mr. Bradley's team has enrolled 35 members paying $470, while Mr. Walsh is next with 20 members and $300. Mr. Clemensen is third with 15 men and $360. Mr. Fineman and Mr. Reed accounted for a large percentage of the original 41.

Both Mr. McKey and Mr. Johnson are enthusiastic over the progress made in lining up the organization and decision to open the office was made Friday. Mr. Johnson expects to bring the total to 200 members in another week and then wait until after Christmas holidays for the final drive, which is expected to be short and positive.

Players to Give Benefit.

A performance by the Bryn Mawr players for the benefit of the "Y" is being arranged for January by Mr. Johnson through Mrs. Johnson, who is director of the players.

The system being used in obtaining 300 men to underwrite the necessary $8,600 budget calls for an average subscription of more than $25. No sum is specified, however.

A Friday noon men's gymnasium class already has been organized and is meeting regularly under Mr. Reed. Evening classes are planned after Christmas. A book review class was started last week, meeting at the South Shore library branch. Mr. Reed has organized a boys' group called the Ramblers and about 100 of the boys take a trip each Saturday. They went to the live stock show yesterday.

No building other than an office is contemplated for the present, various groups being scheduled to meet in church and school auditoriums, basements and gymnasiums.

1931 98

CHICAGO ILL TRIBUNE
TUESDAY, NOVEMBER 24, 1931.

Capone Ally Back in U. S.; Move Begun to Deport Him

Dominick Roberto, Capone lieutenant in Chicago Heights, who fled to Italy in 1928 after being indicted on a booze charge, has reëntered the United States, according to word received yesterday. Assistant United States Attorney Eugene A. Tappy announced that he would take immediate steps toward Roberto's deportation.

The booze indictment is no longer effective because the disappearance of witnesses and evidence, it is said. When Tappy heard that Roberto had arrived at Ellis island, he obtained a new indictment against him on a perjury charge, on the ground that he falsified his naturalization papers.

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CHICAGO ILL DAILY NEWS
WEDNESDAY, N

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WIFE KEEPS GILDAY IN CELL; HOPE FOR BOY

Mate Refuses Bond for Dry Reformer; Victim Weathers Attack of Local Peritonitis

(Picture on Back Page.)

While his victim, 17-year-old Herman Knol, was given a figh ing chance to live, Daniel S. G day, gun-toting "one-man law a order league," was unable to po $15,000 bail last night for his re lease and remained in police cus tody.

The bond was set by Judge John Prystalski in continuing hearing on a writ of habeas corpus until tomorrow.

John Robertson, real estate man at 10044 S. Leavitt st., appeared later to schedule three Beverly Hills lots owned by Gilday and his wife, valued at $42,000, but the schedule was rejected by Assistant State's Attorney A. C. De Witt, in charge of the state's attorney's bond department.

WIFE BALKS RELEASE.

Mr. De Witt pointed out that there was a $10,000 incumbrance on the property, and that Mrs. Gilday had refused to sign a release. Gilday's lawyer, C. D. Fithian, then went out in search of other surety.

It was virtually certain that Gilday would be unable to obtain his release during the night, as Mr. De Witt said the state's attorney's office would refuse to investigate bond schedules submitted at a late hour. The only way approval could be obtained for a new bond would be for Gilday's counsel to obtain a judge's sanction.

PERITONITIS DEVELOPS.

Young Knol's condition became more serious when local peritonitis developed as a result of the abdominal wound received Sunday night when Gilday suddenly fired on him. The youth was assisting the reformer home after he found Gilday on the street intoxicated.

When the peritonitis condition was discovered, young Knol's battle for life was believed lost, but Dr. Leo Jacobson was more optimistic last night. The physician said he believes the peritonitis has been checked and gave greater hope for the boy.

Telegrams and letters poured in to the sick room from all parts o the country, expressing indignation at the dry agitator's act and hope for Knol's recovery.

TAKEN TO CELL.

At the end of the day Gilday, head of the Englewood Law and Order League, of which he apparently is about the only member, was removed to Lawndale police station, where he has been held.

Elmer J. Davis, superintendent of the Better Government Association, of which the reformer was a director, and Francis M. Case, former director of the association, were at Gilday's side in court and accompanied him later when he

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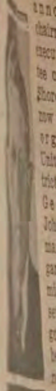
IL TRIBUNE
EMBER 6, 1931

98

M. McEY BOAR OF SHORE 'Y'

Johnson Leads ership Drive.



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ASSESSOR AS A BRIBE TAKER

Assails Sources of His Earnings.

The United States Circuit Court of Appeals late yesterday handed down an opinion affirming the conviction of Gene G. Oliver, member of the Cook county board of assessors, who is under sentence of eighteen months in the penitentiary for income tax evasion. Federal Judge Charles E. Woodward, who tried Oliver without a jury, also fined him $6,000.

JUDGE WOODWARD.

A feature of Oliver's trial was evidence tending to show that he fixed taxes, and the opinion of Judge Woodward that he "prostituted his office for gain" was concurred in by the Appellate court, which held him guilty of bribery. Specific reference was made to the payment of $42,000 for "tax adjustments" by Werner A. Wieboldt, head of the Wieboldt Department stores, $18,731 of which went to Oliver.

Holds $18,731 Fee Is Bribe.

"In a single instance," states the opinion, "a check in the sum of $18,731 was traced directly to his [Oliver's] bank account. His explanation of the Wieboldt transaction in which this check was involved was heard by the trial court and it evidently was not impressed with such explanation. The court was amply justified in finding this sum was paid to him as a bribe."

Oliver's chief defense was that he lost heavily on the races, and that he did not willfully fail to file income tax returns, inasmuch as he was a county official and his salary of $9,000 a year was exempt from taxation. With respect to intent the opinion of the Appellate court said:

"The questio f wilfulness enters offense

CHICAGO ILL TRIBUNE
SUNDAY, DECEMBER 6, 1931

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CHICAGO ILL AMERICAN
MONDAY, NOVEMBER 30, 1931.

GANG KILLS MAN ON RIDE

Gangsters shot to death a flashily dressed victim early today, tossed his body into the street and sped away in a large black sedan.

Sprawled on the pavement in front of 2000 Ogden av., his bullet torn head resting against the curb, the slain man was identified as John Alessi, 28, of 1953 Jackson blvd.

His roommate, Mike Comoratto, a tailor, told police Alessi was a man of mystery. Supposedly a barber, Alessi worked infrequently at his trade, but invariably had a generous income, Comoratto declared.

Circumstances of the killing pointed to a typical gangland "ride," but the motive for the crime remained obscure as Marquette police and detective bureau uthorities sought to penetrate the mystery of Alessi's activities.

IDENTIFIED BY LETTER.

Identification was established through a letter found in Alessi's pocket, written by United Stat : Attorney George E. Q. Johnson to Mrs. Gatena Gnol.. of 1119 S. Racine av., concerning a car seized in a prohibition raid.

Mrs. Gnolfo, herself the widow of a gangsters' ride victim, refused to view the body and complete the identification, claiming her week heart would not stand the strain.

She admitted, however, that she had given the letter to Alessi for investigation three weeks ago.

At 2:15 a. m. Henry Knopsnyder, 719 S. Damen av., heard three shots fired, leaped out of bed and ran to his front window. He saw the body of a man lying in the street and a big black sedan speeding west in Ogden av.

He dressed hurriedly and ran to the scene. Meanwhile Reginald T. Cupiss, 511 S. Euclid av., Oak Park, who was driving west in Ogden av., came upon the body and notified police.

HURLED FROM CAR.

Alessi had been shot once in the right eye, the bullet emerging from the back of the head. He was lying on his back, his legs spread apart, his head and shoulders on the curb, a pearl gray fedora hat at his side.

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CHICAGO ILL TRIBUNE
SUNDAY, DECEMBER 6, 1931

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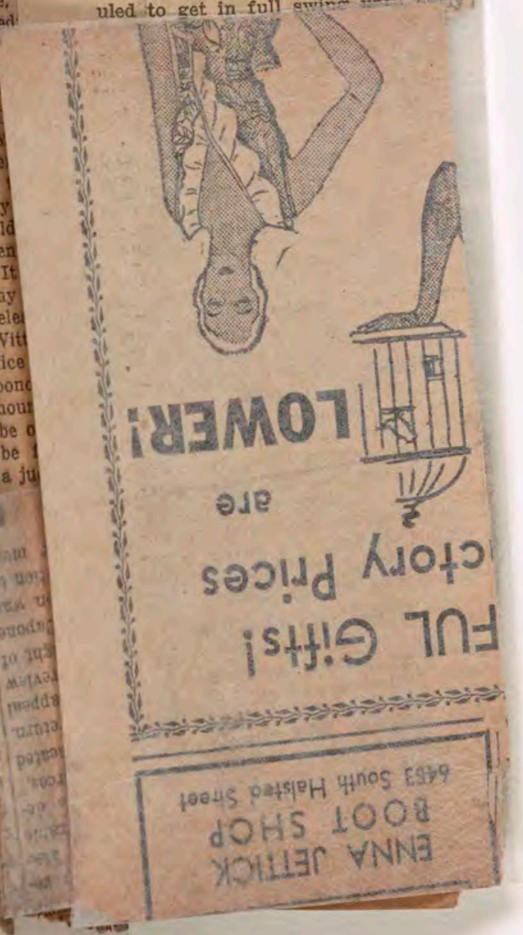

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CHICAGO ILL HER & EXAM
THURSDAY, NOVEMBER 26, 1931,

NELSON'S AIDS BEFORE JURY IN BAIN QUIZ

Indications Point to Summons for Auditor; Check Bank Examining Methods

The grand jury yesterday directed its attention to the state auditor's office in connection with the investigation of the twelve Bain banks which closed last June 9.

The jury was said to be interested in the methods followed by the auditor in examining the Bain chain prior to the closing. Two chief assistants of State Auditor Oscar Nelson were before the jury at yesterday's session. There were indications that the jury may call Mr. Nelson later for questioning.

STATE EXAMINER CALLED.

Fred Edgerton, chief state bank examiner in charge of Cook County, was summoned as the jury was putting the finishing touches on its inquiry into the West Englewood Trust & Savings Bank, a Bain institution.

He appeared loaded down with records and several times was sent out to bring in more. During his absences, the jurors were heard talking in loud tones, apparently in regard to the examiner's testimony.

The other member of Mr. Nelson's staff was Arthur Tarman, head of the auditor's receivership department, who had been heard by the jury twice before.

Henry Ayers, assistant state's attorney in charge of the inquiry, was guarded in his comments on Mr. Edgerton's appearance. He would not deny that the jury will investigate the auditor's office and summon Nelson.

SCAN AUDITOR'S RECORDS.

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SUNDAY, DECEMBER 6, 1931

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CHICAGO ILL DAILY NEWS
WEDNESDAY, NOVEMBER 25, 1931

FEINBERG PLANS COURT FOR BAIN AT HOSPITAL BED

Physician, on Stand, Says Banker's Condition May Permit Session.

MORE TRUE BILLS SEEN

Judge Michael Feinberg of the Circuit court today revealed that he is contemplating holding court in the room of John Bain at the German Deaconess hospital to question the bank chief and former political leader about his tangled financial affairs.

Bain, who is reported to have been named with his son-in-law, W. Merle Fisher, in a true bill voted by the grand jury yesterday, is recovering at the hospital from one surgical operation and is preparing for another.

It was while the banker's personal physician, Dr. Walter H. Buhlig, was on the witness stand that Judge Feinberg disclosed he was seriously considering holding court in the patient's room.

Physician Makes Report.

Dr. Buhlig told the judge that Bain now sits up half an hour two times a day, that his pulse, temperature and respiration are normal, and that all his organs are functioning normally.

"But he has no fight, no pep," said the physician, who is a business associate of the head of the defunct Bain banks and investment houses, as well as the guardian of his health.

When the judge had finished his examination of Dr. Buhlig he told the physician to consult with Bain's other doctors to determine how long a questioning of Bain might be conducted without injury to Bain's condition.

Judge Feinberg said the attendance at the questioning of Bain would be limited to himself, the lawyers and court reporters.

Trunk Mystery Fades.

The mystery of the two trunks taken from Bain's home on June 10, the day after the Bain banks closed, went into a skid with the testimony of Elbert A. Winegar, baggage agent at the Grand Central station, whence the trunks were shipped to Hannibal, Wis., and of George R. Smith, who drove the truck which carried the trunks from the Bain home to the station.

[illegible] and Smith said no special [illegible] had been given them regarding the trunks. Winegar went on to say:

"The trunks were so old and shabby, with locks that were faulty, that I refused to put a valuation of $200 each on them as requested, but held them to a valuation of $25 each."

The trunks were shipped to Hazel Burt, granddaughter of John Bain, who spends her summers in Hannibal. A great to-do had been made about the trunks, the inference being they contained valuables.

Q.—But his organs are functioning normally? A.—He is flabby, he is soft. There is no fight in him. He has lost his pep. And he might not be able to stand up under a grueling examination. I might say, judge, that he has been examined recently by two other physicians.

Q.—You mean Dr. Schmidt and Dr. Kretschmer? A.—Yes, judge.

Q.—Have you a finding from them? A.—I have a photostatic copy of their report.

[illegible] handed a copy of this to the [illegible] read it and said:

[illegible] opinion they express is that four or six weeks will be required before the next operation."

"Yes," said Dr. Buhlig. "But by inference I take it to mean that four to six weeks will be required before he could be examined."

Massillon Mystery Again.

Besides testifying concerning a considerable volume of business he has

(Continued on Fourth Page.)

CHICAGO
THURSDAY

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import quotas on luxuries, designed to reduce this class of imports in some cases to less than 50 per cent of the volume registered in 1930, are rapidly being put into effect by Norway.

While no official quotas have been established and the government has washed its hands of the business, a Norwegian bankers' committee, comprising five members, has actually put the quota system into effect by providing importers with only enough foreign exchange to cover fixed quantities of goods.

In arriving at quotas for each class of products the committee has first considered the average quantity of product imported in 1929 and that average

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NEWS
ER 25, 1931

COURT FOR BAIN AT HOSPITAL BED

(Continued from First Page.)

done as an associate of Bain, Dr. Buhlig gave evidence which once more set Judge Feinberg to an attempt to learn about "the mystery of Massillon, O."

The physician first stated that his wife had relatives in the Ohio town—to which a friend of Bain is reported to have gone on a strange trip shortly after the Bain banks' crash June 9. Later, however, after telephoning Mrs. Buhlig, he informed the judge that it was in Mansfield, O., that the relatives lived. Judge Feinberg at his court hearings—which are for the purpose of uncovering hidden assets of John Bain, Inc.—has tried on numerous occasions without success to learn just what happened at Massillon.

Dr. Buhlig on Stand.

The doctor's evidence bearing upon Ohio was brought out as follows:

Q.—You saw Mr. Bain on June 9 professionally? A.—Yes. I remembered that very well. That was the day his banks closed. I saw him at his home in the afternoon.

Q.—What was his condition? A.—He was depressed, and mentally he was very much upset and disturbed. He was nervous, walking about, very unhappy.

Q.—Did you give him emergency treatment? A.—No. I saw him that afternoon.

Q.—Doctor, have you any relatives in Ohio? A.—I have none.

Q.—Does anybody you know have relatives in Ohio? A.—My wife has. don't like to be facetious, judge, but my wife has relatives in Massillon. We went to see them on our wedding trip.

The Court—This is the first definite example of any one who has appeared in this case to whom I have been able to trace the name of Massillon. When was the last time you visited there? A.—In 1903.

Q.—Has your wife visited there since? A.—I am sure she has not.

A few minutes later, however, Dr. Buhlig telephoned his wife and returned to the judge with a statement that he'd learned from her it was in Mansfield, O., not Massillon, that she had relatives.

Discloses Bain Deals.

Dr. Buhlig earlier in his testimony told the court he had known B n for twenty years. He listed various ess tra sactions he had had with egan in 1912, when the rchased thirty shares of ck in th West Englewood Trust and Savings Bank, one of the Bain chain, for $4,800, he said.

Little by little, according to his testimony, he bought more Bain bank stocks.

The witness went into detail concerning a number of real-estate deals with Bain. Once, he stated, he and the banker sold to John Bain, Inc., four buildings in which Dr. Buhlig had a $143,000 equity and Bain a similar share.

From the sale the doctor said he received $195,000.

Gave Notes in Deals.

With the judge questioning him, his testimony continued:

Q.—You didn't put any real cash into those transactions, did you? You gave notes, didn't you, doctor? A.—I always considered notes the same as cash.

Q.—But what was your initial capital? What did you actually put in in cash? A.—My initial capital was $5,000.

Q.—Then you pyramided this $5,000 until it amounted to several hundred thousand? A.—No, I wouldn't call it pyramiding.

Q.—In most of your transactions with John Bain your interest was represented by notes? A.—Most of the time.

Q.—And these notes Mr. Bain discounted at a bank? A.—Yes, that's right.

Responding to further questioning, Dr. Buhlig disclosed that at times he received checks as high as $25,000 and $40,000 from business transactions with Bain.

Q.—You invested that again? A.—Yes.

Q.—He didn't let you keep it very long? A.—(With a smile) No.

More True Bills Expected.

Additional true bills in the Bain inquiry are expected following the grand jury's reported action yesterday in naming Bain and his son-in-law, Fisher, on charges of misuse of a trust fund in the West Englewood Trust and Savings Bank.

County Judge Jare

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ASSESSO A BRIBE

Assails So His Ear

The United States Appeals late yesterd

JUDGE WOODWARD

Oliver's trial was to show that he the opinion of that he "prostitu gain" was concu Appellate court, wh of bribery. Speci made to the paym "tax adjustments Wieboldt, head of partment stores, $1 to Oliver.

Holds $18,731

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CHICAGO ILL TRIBUNE
SUNDAY, DECEMBER 6, 1931

98

FRANK M. McKEY HEADS BOARD OF SOUTH SHORE 'Y'

Geo. E. Q. Johnson Leads Membership Drive.

Frank M. McKey, chairman of the board of the Jackson Park National bank, has been announced as chairman of the executive committee of the South Shore Y. M. C. A., now in process of organization. United States District Attorney George E. Q. Johnson is chairman of the organization committee, which has set a goal of 300 governing members to back the new "Y" department to the extent of $8,600.

FRANK M. McKEY.

Although activities are not scheduled to get in full

FUL Gifts!
ctory Prices
are
LOWER!

ENNA JETTICK
BOOT SHOP
6453 South Halsted Street

1931 99

PRICE 3 CENTS

U. S. SEIZES BAIN RECORDS

Federal Experts to Make Check on Banker's Income

Government Takes Data Sought by Feinberg.

EXPOSE NEAR

'Mystery Woman' Called; Swanson Defers Action.

The federal government's sudden entry into the investigation of John Bain and his defunct banking enterprises became known yesterday when it was learned that all personal books and records of the South Side banker and Republican leader had been seized by the internal revenue bureau.

Subpoenas for these documents had been issued by Judge Michael Feinberg in Circuit Court last week. When bailiffs sought to serve the summonses Saturday, they learned the government already had taken them.

CHECK INCOME TAXES.

Judge Feinberg said Dwight H. Green, assistant to United States District Attorney George E. Q. Johnson, had informed him the government wanted the records for investigation of Bain's private income tax reports.

Judge Feinberg said Green had promised to produce the records in court this morning when the former resumes his search for assets of the banker and his associates.

If the records are not produced, Judge Feinberg indicated he would take steps to obtain them.

The coincidence of the government's seizure of Bain's personal records, after Judge Feinberg had issued demands for them, brought expressions of surprise from creditors, receivers and others interested in the inquiry.

MYSTERY WOMAN CALLED.

Appearing to explain Bain's private affairs today will be James Gammonley, his personal secretary, who is under subpoena. Ten other witnesses, one of them a woman "mystery witness," have been subpoenaed.

This "mystery woman" is expected to present "illuminating and sensational" testimony. Her identity has been closely guarded.

Attorneys for the receivers of John Bain, Inc., real estate investment house headed by Bain, said Judge Feinberg's inquiry into the banker's affairs "has not yet scratched the surface."

INVESTIGATES SON.

Meanwhile, Henry Ayres, assistant state's attorney in charge of the grand jury inquiry into bank failures, will resume presenting evidence today in another phase of the Bain inquiry involving only John H. Bain, son of the banker, and two cashiers of Bain banks.

Young Bain and the two cashiers, Ervin Larsen and Hugh Leslie, are

Turn to Page 4, Column 4.

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CHICAGO ILL POST
MONDAY, NOVEMBER 2,

RALPH CAPONE LOSES LONG FIGHT

U. S. Supreme Court Rejects Review Plea.

Ralph ("Bottles") Capone, Al's brother, reached the end of his long appeal journey today when the United States Supreme court refused to review his conviction on charges of violating the income tax law.

The Supreme court's decision has an important bearing on other gangster cases, particularly those of Terry Druggan and Frankie Lake, who pleaded guilty to similar charges, but were given permission to change their plea if Ralph won a review.

The action of the high court ends a three-year legal battle which began in the District court when Capone was convicted and sentenced to three years in Leavenworth and a fine of $10,000. On appeal to the Circuit Court of Appeals, his conviction was affirmed.

A record of the proceedings before the Circuit Court of Appeals when Al Capone sought and obtained a writ of supersedas and was denied bail has been sent by District Attorney George E. Q. Johnson to Attorney General Mitchell to be used by the latter in combating Capone's expected request for admission to bail by the Supreme court.

Record of the D'Andrea proceedings also was sent.

10-27-31

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—Chicago's Most Widely Read Evening Paper— TUESDAY, OCTOBER

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Prosecutor Johnson and other arms of the federal law set about the task of weaving a net around Capone they knew that the gangsters would stop at nothing to intimidate them. Yet they went ahead without fear, and without terror, and carried out the prosecution, with the obvious result.

POLICE CAN DO SAME.

"The Chicago police and the administration affairs in this city can do the same thing.

"Of course, it is true that the city must clean its own house first, if there is anything to be cleaned out. If there are Capone lieutenants or paid minions of the gang leader and vice vendor in the police department, as has been charged, they must be swept out of the department—and kept out.

"Then Chicago must push forward to a successful culmination of the campaign to redeem the city in the eyes of the world by following the Capone conviction with a sweeping offensive against the syndicates and the gangs that thrive on vice and corruption."

Gen. Farrell suggests further that the police department be organized for the big battle to "drive out all the gangsters" on much the same basis of determination pursued in an offensive campaign in wartime.

Pair Rob Bank of $6,000.

BALTIMORE, Oct. 27.—Tko bandits robbed the Baltimore County Bank at Whitehall, Md., near here, at noon today of $6,000 in cash. They held up Cashier Harold Ensor and Bookkeeper Ida Slade.

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persedeas.

The three justices n the October term of t Evan Evans, Samu and Will Sparks.

The Appellate Court has three courses:

FIRST—To grant the motion and allow Capone freedom on bail pending his appeal.

SECOND—To grant the motion, but deny bond, leaving Capone in custody of the United States marshal in the Cook County jail pending appeal.

THIRD—To deny the motion, automatically consigning Capone to Leavenworth, so his appeal will be made from behind the bars.

Ruling by Judge Wilkerson and by the Appellate judges is discretionary. The only thing that must be allowed Capone is the right to appeal his conviction and sentence.

Marshal H. C. W. Laubenhei said yesterday that

Turn to Page 2,

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DAYTON OHIO HERA
SATURDAY, AP L 18, 19

ANOTHER GANGSTER CONVICTED AS U. S. CONTINUES 'DRIVE'

CHICAGO, April 18—(UP)—The 100 per cent record of United States Attorney George E. Q. Johnson, who has been fighting gangs and corrupt politicians by means of income tax fraud prosecutions, numbered eight convictions today with Sam Guzik, brother of Al Capone's chief lieutenant, facing one year in Leavenworth penitentiary and $2,500 fine.

Pleading guilty to charges of evading income tax payments for 1927 to 1929, Guzik, a slot machine operator and racketeer, was sentenced yesterday by Federal Judge James H. Wilkerson. Stay of execution was granted until June 1.

The convictions credited to Johnson's office now include six gangsters and two politicians. All were convicted on income tax fraud charges.

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DAY, JANUARY 27, 1931.

COL. McCORMICK TELLS OF WAR ON CHICAGO CRIME

Addresses Milwaukee Bar Association.

Milwaukee, Wis., Jan. 26.—[Special.] The crime situation in Chicago was discussed today by Col. R. R. McCormick, editor and publisher of THE CHICAGO TRIBUNE, who spoke before the Milwaukee Bar association after a luncheon given at the Schroeder hotel here.

Col. McCormick was introduced by George A. Affeldt, president of the bar association. At the speakers' table, besides Col. McCormick and Mr. Affeldt, were William A. Klatte, William P. Sullivan, Carl Rix, Walter Bender, F. E. McGovern, Judge John J. Gregory, Judge August Braun, Judge John C. Kleczka and Judge Walter Schinz. In addition to the members of the bar association, delegates to the annual meeting of the Wisconsin District Attorneys' association heard the address. Col. McCormick spoke as follows:

"When I asked on what topic your distinguished organization would like to have me speak I was told you would like to learn from me about the crime situation in Chicago.

A Topic for Fiction.

"A highly exciting play dealing with Chicago crime has been produced in London before crowded houses. Numerous magazine articles of high fictional value have been written by the hack writers of New York. I am not surprised, therefore, that when people who have never seen Chicago write with so much assurance upon this topic you will expect a Chicago editor to speak with full knowledge and authority.

"However, the fact is that the people who have written about Chicago crime have not known anything about it, while the people who know all about it have not written and will not talk, even when under arrest or when at the point of death, and I may add that until six months ago no organized effort was made by anybody to penetrate its mysteries.

Tracing Its Origin.

"Some people trace the origin of our crime disturbances to the anarchists of the late eighties. Others refer to the series of violent strikes which raged in Chicago around the end of the last century. Liberal reference has been made to newspaper wars and THE TRIBUNE'S n been men as particip clashes t a the

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CHICAGO ILL TRIBUNE
TUESDAY, NOVEMBER 3, 193

PRISON TRIP DUE FOR 2 CAPONES, DRUGGAN, LAKE

Supreme Court Refuses Ralph's Appeal.

Four Chicago public enemies and politician may be taken to the fede penitentiary at Leavenworth t month as a result of action yes day by the United States Supre court. That tribunal declined to view the case of Ralph J. Cap who is under sentence of three ye in the penitentiary for income fraud.

Capone will be taken to prison soon as notification that his petit for a writ of certiorari was den reaches here from Washington. Th will require two or three days. mittimus will then be issued by Circuit Court of Appeals and the m shal will arrest him.

Al May Go with Ralph.

Al Capone, who is in the cou jail without bail pending appeal f his conviction and sentence to ele years' imprisonment for tax evas may go to the penitentiary with brother, for his lawyers have that if they failed to get bail f the Supreme court, he would wis start serving his term.

The other public enemies fa early imprisonment are Terry D gan and Frankie Lake, the orig beer barons, and the politician State Representative Lawrence O'Brien. Pleas of guilty to income fraud, entered by Druggan and L were contingent as to felony co on the outcome of the Ralph Ca and O'Brien appeals. The Supr court's action in refusing to re Capone's case makes Druggan Lake subject to possible maximum tences of ten years each in the p tentiary and two years each in county jail.

Sentence Due on Nov 15.

The former beer barons are sc uled to appear before Judge Jame Wilkerson on Nov. 15 for sentence, the federal prosecutors are hop that by that time the Supreme c will have acted on O'Brien's app If the Supreme court denies O'Bri petition, then he will be taken to penitentiary to serve his term eighteen months and Druggan Lake will be sentenced.

Druggan and Lake will be sub to additional felony counts entai penitentiary sentences if O'Bri appeal is unsuccessful. Their c were similar to Ralph Capone's that "willful attempts to cheat, s dle, and defraud the United Sta were alleged, and to O'Brien's in they were charged with failure returns and attempts to evade defeat taxes.

Report Ahern in Washington.

One of Al Capone's lawyers, Michael Ahern, was reported yesterday to have gone to Washington to request Supreme Court Justice Willis Van Devanter for bail for his gangster client. Efforts to reach Mr. Ahern in Chicago were unsuccessful.

When the Circuit Court of Appeals denied bail for Capone the lawyers said they would apply to Justice Van Devanter, and that, failing there, Capone probably would wish to leave immediately for Leavenworth, despite a writ of supersedeas granted him, and get credit toward his sentence.

To combat possible efforts of Capone's lawyers to get bail from the Supreme court, United States Attorney George E. Q. Johnson has forwarded a transcript of the proceedings before the Circuit Court of Appeals and of Judge Wilkerson's statement denouncing the Capone gang. The judge's statement was made when he sentenced Philip D'Andrea, Capone's bodyguard, to six months in jail for carrying a gun in court during the gang chief's trial.

Two Year Fight Ended.

Two years and a day elapsed from the time of Ralph Capone's indictment to the final disposition of his appeal. He was indicted on Nov. 1, 1929, brought to trial on April 11, 1930, and convicted on April 25. The Circuit Court of Appeals affirmed his conviction last July and the Supreme court dashed his last hope yesterday. Besides the sentence of three years, he was fined $11,000 by Judge Wilkerson.

Al Capone's appeal is not expected to require so long because of limits placed upon counsel for the filing of their briefs by the Appellate court.

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SEA LITS.

George ("Tubby") Miller, manager of the Rex Hotel, and several other men and five girls arrested there in the raid Sunday were taken before the special jury. Each was asked a number of questions. It was reported in the courts, where they later appeared in connection with habeas corpus proceedings in their behalf, that both men and girls had in a general way refused to testify.

HEAR OFFICER AND GIRL.

Miss Bernice Shaw and Sergt. Jack Herdegen, her former sweetheart, whom she accuses of being a "collector" for several higher-ups in the department, both were reported to have been heard by the jury during the day. Miss Shaw testified for the second time.

It was not made known what Herdegen had to say, but it was stated he had signed an immunity waiver before he was allowed to testify.

Mrs. Grace Bock of 1152 W. Fifty-ninth st., formerly of Detroit, who testified yesterday, was later arrested and held in the women's quarters of the detective bureau on orders of Assistant State's Attorney Mueller. Mr. Mueller had expected to prove by her that Miss Shaw and Herdegen had visited together in Mrs. Bock's Detroit home, but he said that she told him one story and the jury another.

Sergt. Peter Bernacchi and James Coleman, for years assigned to the neighborhood of Twenty-second and State sts., from the Second District, waited all day long to be called, but the jury adjourned for the day without hearing them.

It is expected they will be called today to testify concerning their knowledge of important records and ments seized in he Rex Hotel

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what I by the defe attorneys.

Attorney Waugh—I have only handled the criminal case and never took part in any discussion of the civil case. I never knew that Attorney Melnick had anything to do with the case.

Judge Wilkerson—The plea in this case went unchallenged for almost a year. An application of this kind [referring to a possible petition for a change of plea to not guilty] cannot be given much consideration without a strong showing.

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repares pone in son Today

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Johnson's record, his associates point out, speaks eloquently for his character, integrity and fearlessness. Almost single-handed he has waged the first effective war against Chicago's "big shot" gangsters. He has obtained conviction after conviction in the federal court, so that when the sentences already imposed are upheld in the higher federal courts—as officials here are convinced they will be upheld—there will be a veritable mass move of gang chieftains to the Leavenworth penitentiary.

Johnson could not be reached last night, but several of his assistants discussed the bribe rumor. These suggested that, perhaps, $75,000 actually was paid in the Lake-Druggan case and that it was given to some individual who pretended an influence with the district attorney.

The report, to which Washington has devoted so much time and attention, is that an emissary of Druggan and Lake turned over $75,000 to an attorney, upon the latter's representation that he had sufficient personal influence to "fix" the case against Druggan and Lake, if not the criminal case at least the civil action whereby they could be saved the half millions dollars which the government was seeking to collect.

PLEAS QUALIFIED.

Both Lake and Druggan entered pleas of "guilty," when they were tried under criminal charges of violating the income tax la ever

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operation Cicero night clubs.

In addition, Capone faces civil proceedings in the income-tax case. The government in the criminal case put Capone's income at $1,850,000 for the years 1924 to 1929. The tax and penalties on this is $311,000 and the government wants this money—and will seize everything possessed by Capone to get it.

Hints at Fate of Others.

The high court ruling was regarded as a victory not only in the Ralph Capone case but an indication that Jake Cuzik, Al Capone, Terry Druggan, Frank Lake, State Representative Lawrence C. O'Brien and others convicted of income-tax violations would be given short shrift by the Supreme court.

Druggan and Lake were particularly affected by the Supreme court ruling, as they had entered pleas of guilty with the stipulation that the pleas would stand or fall on the appeal of Ralph Capone and State Representative O'Brien. If O'Brien's fate is the same as Ralph Capone's, Druggan and Lake will be hustled off to the penitentiary.

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ing at a just deci but our client (Capone) feels that is being badly treated."

The 62-year-old Judge, stern despite the "laugh crinkles" about his eyes, replied:

"Well, you know what can be done about that."

The Government has spent some $200,000 so far in its efforts to send Capone to prison. His forthcoming trial will mean the expenditure of perhaps $100,000 more for hire of prosecutors and expenses of witnesses.

Such protracted legal sparring is in prospect that Capone may remain free on bond for the next two years. His hirelings, the brewers, distillers, gamblers and vice mongers, who all have added their share to his wealth, were said to be jubilant over the prospect.

With Capone at large and running his "business" with his admittedly capable hand here during the World's Fair, they hoped to swell their illicit profits to unheard-of dimensions, and incidentally to turn their triple-chinned leader into a veritable Croesus.

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n tax evaders by District rney George E. Q. Johnson and Madden.

Convictions have been upheld by decisions of the higher courts, including the United States Supreme Court. Federal authorities believe every point of the income tax law has been so thoroughly tested that no loophole is left for tax evaders.

Some of those who may be named already know they are under investigation, and negotiations for settlement of the civil actions are said to be under way.

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that she had been "persuaded" to leave town by some one who feared her testimony.

Through the questioning of Alcock, the grand jurors hope to obtain some idea of what she would have disclosed if she had continued her testimony. The grand jury will demand of Alcock all of her written reports turned in to him by Mrs. Kub and, if he declines to produce

Turn to Page 9, Column 3.

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here are [illegible]nced they will be upheld — there will be a veritable mass move of gang chieftains to the Leavenworth penitentiary.

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PLEAS QUALIFIED.

Both Lake and Druggan entered pleas of "guilty," when they were tried under criminal charges of violating the income tax law. However, their pleas were with the qualification that they might be withdrawn if the higher federal courts reversed the sentence imposed on Ralph Capone.

Civil action to collect the amounts was started.

U. S. SEIZES BREWERY.

The Lake-Druggan brewery at 2606 W. Monroe st. was seized and sold on the auction block for $105,000. But the government profited not one penny through this sale, as it developed a prior lien on th

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and the defendants were released on bonds.

The raid was staged last night by A. E. Hamilton, deputy prohibition administrator; Capt. Gregory Moran of the Chicago av. station, and Sergt. Garrett Fleming. Over a hundred fashionably dressed patrons were caught in the raid, and several thousand dollars' worth of liquor was seized. Most of the booze was destroyed, but some was retained for evidence. The patrons were allowed to leave.

Miss Tully was named by police as the manager of the club, which is said to be operated by Ted Newberry in the interest of Al Capone. Miss Tully refused to discuss the club ownership, but when Capone's name was mentioned, she said:

"That poor guy's blamed for everything."

Capt. Moran said the club's liquor supply was the finest he has seen since the advent of prohibition.

Though most other resorts in the district closed when the Walton Club was raided, Capt. Moran and his squad invaded two other places. They were the Club Teodora, at 710 Rush st., and the Cass Club, 816 N. Wabash av., where two employes were arrested.

The raiders seized a small amount of liquor at the Cass Club. The prisoners, George Hamlin and Mike Green, were charged with possession of liquor.

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CHICAGO ILL HER & E.
MONDAY, NOVEMBER 9,

sirable.

INQUIRY TURNS TO BAIN'S SON

Continued From First Page.

accused of unlawful acts in substituting bonds in two transactions.

Ayres said that while his auditors and other witnesses had developed a great amount of evidence involving the twelve Bain banks and other Bain companies, he was not yet ready to present this to the grand jury.

Both State's Attorney Swanson and Bain have been leaders in the Republican faction headed by former Senator Charles S. Deneen, whose supporters, including District Attorney Johnson, occupy most of the federal positions in Chicago.

Up to now, the Bain investigation conducted by Judge Feinberg has disclosed that the banker removed two valuable pieces of real estate from a collateral trust without reimbursing the trust and that Bain, Inc., had floated as "first mortgages" gold bonds against a building on which first mortgages were outstanding.

AYRES DELAYS ACTION.

All evidence adduced by Judge Feinberg has been turned over to the state's attorney, but Ayres, when asked if he had sufficient to indict the banker, replied:

"I don't care to answer that until I have conferred with Swanson."

Bain is in the German Deaconess Hospital following an operation for gall bladder disorder. His physicians say he is making satisfactory progress.

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charged in each indictment. Appellant was a man of wide experience over a period of years and the fact that he had such a large income during the period of years in question, some of which was derived from questionable sources, and that he did not even respect the law enough to file a return, is sufficient in itself to justify the conclusion that such failure was willful. He had a reason for not filing such return."

$42,000 Tax Debt Charged.

Oliver's alleged income for the years 1926, 1927, and 1928 was more than $600,000, of which $272,616 was alleged to be net income on which he paid no taxes. He was charged with trying to evade payment of approximately $42,000 in taxes. He contended throughout his trial that his only income was his salary of $9,000 a year, but he said he had handled large campaign contributions.

The judges who heard the Oliver case in the Appellate court were Evan A. Evans, Will M. Sparks and Robert C. Baltzell, the latter, who wrote the opinion, being a member of the District court who was called in to sit with the appellate bench.

Oliver's attorney, State Senator James J. Barbour, will have an opportunity to apply for a stay of execution of mandate before a mittimus is issued for Oliver's imprisonment. In all likelihood he will be given a stay to apply to the Supreme court for a writ of certiorari, which would keep him out of the penitentiary for several months.

The Supreme court this week declined to review the conviction of State Representative Lawrence C. O'Brien and he is expected to be taken to Leavenworth tomorrow night.

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Chicago Am

Col. Randolph called for a smashing blow by the Chicago authorities and the police department directed at the Capone syndicate—and other gangs.

CALLED GOOD START.

The conviction and imprisonment of Capone the ringleader, the association executive said in commending the district attorney and governmental agencies, is an excel-

Continued on Next Page.

Society Speakeasy Aids Face Trial on Nov. 10

A woman and three men were arraigned today before United States Commissioner Edwin K. Walker on dry law violation charges after a federal and police raid on the Walton Club, Gold Coast rendezvous at 69 E. Walton place.

They are Miss Elizabeth Tully, reputed manager; Charles Barber, her assistant; Burth Clarke, doorman, and John Fields, a waiter. A hearing was set for November 10

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quali[illegible] they migh[illegible] withdrawn if the higher fe[illegible] courts reversed the sentence imposed on Ralph Capone.

Civil action to collect the amounts was started.

U. S. SEIZES BREWERY.

The Lake-Druggan brewery at 2606 W. Monroe st. was seized and sold on the auction block for $105,000. But the government profited not one penny through this sale, as it developed a prior lien on the property was held by George Hoffman and the ogvernment not only owed Hoffman the $105,000 but $4,000 in addition, as Hoffman's lien exceeded the sale price by that much.

In the same way the internal revenue bureau was unable to profit through the attempted sale of Druggan's Sanola farm, near Lake Zurich. Attorney Melnick came forward with a prior lien on the property.

Mrs. Blacklidge did visit the farm and seized several of Druggan's blooded cows.

In his statement made for the attorney general, District Attorney Johnson explained he had had personal legal dealings with Attorney Melnick, but that these dealings in no way could be construed by Melnick as giving the latter any influence over Johnson's activities in behalf of the government.

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higher court [illegible] obtained a [illegible]

The government plans to look into the situation to see if Mangano's citizenship papers, taken out in 1913, can't be taken from him.

Mangano was originally No. 8 man on the first Chicago Crime Commission list of "Who's Hoodlum."

Due to good work by United States District Attorney George E. Q. Johnson and federal agents Mangano has moved up the list. Al Capone, No. 1 man, is under sentence of eleven years' imprisonment and is now having a hearty breakfast each morning, corn meal mush, rolls and coffee, in the county jail.

Tony ("Mops") Volpe, No. 2 man, has been ordered deported to Italy. Ralph Capone, No. 3 man, is under three-year sentence for income-tax fraud.

Rio Still Jump Ahead.

Frank Rio, the Capone man-at-arms, who went to prison in Philadelphia with the jairbird and brothel-keeper, has so far stayed one jump ahead of the law.

Jack McGurn, born Gebhardi, the Capone machine gunner, is under two-year sentence on a Mann act charge.

James Balcastro and Rocco Fannelli, pineapple tossers, extortionists and all-around no-goods, are still at large.

So the present lineup is Rio, Balcastro, Fannelli and Mangano.

Jack Zuta followed Mangano on the original list, but Ted Newberry and Dan Stanton, Capone men-at-arms, took him off the list with a machine gun and the government took Jake Guzik, the No. 10 man, out with a five-year penalty for income-tax withholding.

Suggests Closing Hotel.

In a letter to Mayor Cermak today Frank J. Loesch, president of the Chicago Crime Commission, requests that inquiries be made with a view to closing the Lexington hotel, long the headquarters of the Capone mob.

Mr. Loesch declared in his letter that the judicial pronouncement of Federal Judge James H. Wilkerson, who called the hotel an "outlaw camp" of an organized band operating in "insurrection against the laws of the United States," branded the hotel a menace to law-abiding people. Judge Wilkerson's statement was delivered from the bench Wednesday when he sentenced Philip D'Andrea, Al Capone's bodyguard, to six months in jail for contempt.

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County Approves $50,000 Fund for Police Quiz

Continued From First Page.

them they will be seized, Assistant State's Attorney Mueller said.

Alcock will be questioned on reports that Mrs. Kub had several times attempted to "frame" certain police captains.

BANK ACCOUNTS SCANNED.

Another phrase of the investigation, it was said, will deal with the bank accounts of a number of police captains and other members of the department. It is known that the department of internal revenue has been quietly checking the sources of revenue of several police officers.

District Attorney George E. Q. Johnson has informed the state's attorney's office that information obtained by the government investigators may be made available to the special grand jury.

In connection with this line of inquiry, a conference has been arranged between members of the grand jury, Mr. Johnson, Chief Justice John P. McGoorty of the Criminal Court, members of the state's attorney's staff and representatives of the "Secret Six," crime-fighting organization of the Association of Commerce.

ORDER WOMAN'S ARREST.

The disappearance of Mrs. Kub was reported to Chief Justice McGoorty by Sergt. Michael Ahern. The chief justice issued a bench warrant for her arrest and orders were flashed to every police station to search for her.

Sergt. Ahern yesterday morning received a phone call from a woman who identified herself in a whisper as Mrs. Kub. She simply told him that she would not again appear before the grand jury.

Ahern and a squad of detectives hurried to Mrs. Kub's residence at 744 N. Pine av. She was not there. The search for her was extended throughout the city, but with no result.

State's Attorney Swanson was notified that the $50,000 would be forthcoming, after he had set forth in writing the necessity for the funds. He was advised, however, that the board legally could appropriate no additional funds for the same purpose during 1931.

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ent in his voting, but more inclined in years past to dryness than wetness on liquor measures. Tonight he tore into the league's methods as subversive of the fundamentals of popular government.

"The Anti-Saloon league," said Senator Searcy, "is staging an orgy of letter writing. It is instigating a saturnalia of organized propaganda. I have been inundated with letters urging me to vote against repeal.

Expression "Conclusive."

"I cannot figure out the psychology of the league, which insists the referendum meant nothing. The expression was most conclusive. This district voted wet by almost 6,000. In addition, Sangamon county, which in 1928 went to Hoover by 10,900 plurality, last November turned these figures upside down and went to J. Hamilton Lewis, Democrat, on a wet platform by 10,300. Morgan county, which Hoover won by 4,300, went to Lewis by 1,560.

"Yet the Anti-Saloon league urges

Judge Evan A. Evans to seven counts of income tax evasion.

Lake followed in the footsteps of his former partner in the beer industry, Terry Druggan, by reserving the right to withdraw his plea of guilty to felony counts in the event that the federal District court is reversed in the cases of Ralph Capone and State Legislator Lawrence C. O'Brien, in which the same propositions of law are involved.

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LAKE ENTERS PLEA OF GUILTY TO TAX FRAUDS

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Ne Tribune

E: TUESDAY. JANUARY 20.

FRANKIE LAKE PLEADS GUILTY TO TAX FRAUD

Beer Baron Liable to 27 Years in U. S. Cell.

(Picture on back page.)

Frankie Lake, who rose from a beer hustler in the old Valley gang to the eminence of a public enemy, pleaded guilty yesterday before Federal Judge Evan A. Evans to seven counts of income tax evasion.

Lake followed in the footsteps of his former partner in the beer industry, Terry Druggan, by reserving the right to withdraw his plea of guilty to felony counts in the event that the federal District court is reversed in the cases of Ralph Capone and State Legislator Lawrence C. O'Brien, in which the same propositions of law are involved.

Judge Evans deferred sentence to March 2, pending the outcome of the other appeals. Lake faces a possible maximum sentence of 27 years in the federal penitentiary and a fine of $50,000. He owes the government more than $200,000 in taxes and penalties for the years 1923, 1924 and 1925, according to the indictments.

Maximum Is 27 Years.

When Lake left the courtroom, accompanied by his attorney, Peter Sissman, he was arrested by detectives on a vagrancy warrant issued by Municipal Judge John H. Lyle. After being put through the bureau of identification and questioned by Chief of Detectives John Norton, he was released on bond of $10,000 pending his

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DAY, JANUARY 21,

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LAKE ENTERS PLEA OF GUILTY TO TAX FRAUDS

news 1/19/31

Gets Same Terms as Druggan; Seized on Vagrancy Warrant by Police.

AWAIT APPEAL RULINGS

Frank Lake, erstwhile pal and partner of Terry Druggan in the beer racket, today entered a qualified plea of guilty to income tax fraud charges before Federal Judge Evan A. Evans. The plea is the same as that entered last week by Druggan.

A few minutes after the income-tax hearing was over two policemen accosted Lake in the corridor of the federal building, served him with a public-enemy vagrancy warrant and hustled him over to the detective bureau.

Lake and Peter Sissman, his attorney, went before Judge Evans, sitting in place of Judge James H. Wilkerson, who is indisposed. Assistant District Attorneys Cassius Poust, Jacob I. Grossman and Dwight H. Green, the prosecutors with a notable string of victories in income-tax cases, were present for the government.

Agreed To by U. S.

The judge read the stipulation and was told the prosecutors agreed to it.

He read it to Lake and asked if he understood it.

"On advice of my lawyer I accept it," said Lake.

Judge Evans said he would accept the plea, but that his decision would not be binding on Judge Wilkerson. The case was continued to March 2.

The stipulation provides that if the government is reversed in the appeals made on the law in the income-tax convictions of Ralph Capone and State Representative Lawrence C. O'Brien Lake's plea of guilty will include only two misdemeanor counts, carrying a maximum sentence of a year each.

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STERLING ILL GAZ
WEDNESDAY, JANUARY

ALCOCK CALLED BEFORE JUR

Disappearance Of U Cover Agent Is Reas

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She Disappeared

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Investigators said they would

LINCOLN ILL COURIER
WEDNESDAY, JANUARY 21,

CALL ALCOCK IN POLICE INQUIRY

CHICAGO, Jan. 21—Acting Police Commissioner John Alcock was involved in the special grand jury's investigation of his department with the announcement by assistants to the state's attorney that Alcock would be subpoenaed today.

Charles J. Mueller and Charles J. Lounsbury, directing the collection of evidence against the alleged triple entente of police, politics and crime, said Alcock's summons was caused by the disappearance of Mrs. Shirley Kub, his under-cover investigator and their chief witness on police methods. Several police captains also would be called, they added.

Mrs. Kub, employed for months to check the activities of Alcock's captains, made "startling revelations" of graft and corruption before the jury Monday, officials said, but yesterday she failed to appear. Her arrest was ordered, without effect.

Investigators said they would ask Alcock what Mrs. Kub would have disclosed if she had continued her testimony and would demand a look at her written reports.

District Attorney George E. O. Johnson said workers in the department of internal revenue have been checking incomes of police captains and their results may be given to the grand j

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CHICAGO ILL TRIBUNE
SUNDAY, JANUARY 18, 1931.

VOLUME LXXXX.—NO. 3

[REG. U. S. PAT. OFFICE: COPYRIGHT
BY THE CHICAGO TRIBUNE.]

1931 100

WOMAN BARES POLICE BRIBE

CHARGES $1,500 PAYMENT FROM GANG TREASURY

Jury Subpoena Out for Politician.

EXPOSURES

While the special grand jury yesterday was getting evidence of police and vice activities the hearing on the will of Jack Zuta, late vice boss, brought out testimony that Zuta planned to become a political figure in the city hall clique. Page 18.

An investigation of Assemblyman Libonati, who has proposed a bill to abolish the death penalty in murder and kidnaping cases, shows him to have been the attorney for various gangsters. Page 19.

In the deportation proceedings against Mops Volpe, a Capone gangster, it was shown that he traveled with members of the city hall cabinet. Page 19.

A tale of promotion in the police department involving deals with gangsters and politicians was told yesterday to Assistant State's Attorneys Charles Mueller and Charles Lounsbury by the spurned sweetheart of a police sergeant. The story is to be repeated tomorrow to the special grand jury investigating the police department, the prosecutors said.

The police sergeant is Jack Herdegen of the North Damen avenue station. He is 36 years old, the father of five children and lives at 6 Grace street. The woman, who says she was jilted, is Miss Bernice Shaw, 34 years old. She gave several addresses.

Money from Zuta, She Says.

Herdegen was arrested on Friday night after Miss Shaw told the prosecutors that he had bought his promotion in the department with $1,500 obtained from Jack Zuta, slain vice chief.

After hearing her story the prosecutors sought Meyer Cossman, a political lieutenant of Homer Galpin and chief clerk of the board of review until he resigned in 1929. They were unable to find Cossman for questioning yesterday and a subpoena was issued for him to appear before the special grand jury.

Miss Shaw named Sergt. Herdegen as a collector in the North Damen and Warren avenue police districts, and told of his lavishing money on her. She said she had been threatened with death if she exposed him.

Accuses Woman of Threats.

The one who made the threats, she said, is Mrs. Shirley Cubb, 40 years old, who later described herself as an investigator for Acting Police Commissioner Alcook.

Commissioner Alcock declared that Mrs. Cubb is not an investigator for his office. He refused to say whether she had ever been so employed. Official notification of Herdegen's arrest had not been received by his office, Alcock said. When it is received he indicated that Herdegen will be suspended.

Both Herdegen and Miss Shaw are to be taken before the special grand jury by the prosecutors, and Mrs. Cubb is to be subpoenaed as a witness.

First Tells Story to U. S.

Miss Shaw first told her story to Assistant United States Attorney Edwin Fisher, who sent her to the state prosecutors. She said that she had known Herdegen for seven years and had lived with him for

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93 Amusing Puns
94 Insanity Explained
97 Memory: How to Use It
03 Puzzles and Brain Teasers
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09 Spanish Self Taught
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FRENCH AIR LINER CRASHES IN GALE; MECHANIC HURT

LYMPNE, England, Jan. 17.—(AP)— A French passenger plane from Le Bourget to Croydon, carrying a pilot, mechanic and six passengers, crashed while landing at the airdrome here in a gale tonight. Only the mechanic was injured.

Collision Kills Pilot.

ALBACETE, Spain, Jan. 17.—(AP)— A lieutenant in the Spanish air force was killed today when his airplane collided with another over the Los Llanos airport.

AN CHARGES GANG PURCHASE OF A POLICE JOB

Bought with $1,500 from Zuta, She Says.

(Continued from first page.)

board of review, where he met a man named Cossman. He and Cossman had a talk in Cossman's office. When they came out Cossman put his arm around Jack's shoulders and said, 'You're as good as a sergeant now.' Later Jack told me he had given Cossman the money."

Miss Shaw said that Herdegen's wife discovered her relationship with her husband in the summer of 1929. The wife made an appointment with the two and asked Herdegen to choose between her and Miss Shaw, she said. Herdegen chose her, Miss Shaw said.

Pawns Her Gift Jewels.

"After this meeting Jack told me he needed ready money," Miss Shaw continued. "He talked me into pawning all the jewelry which he had given me.

"A few months later we had a fight when we were living in the Grant hotel. He took all my money except 27 cents and left me. I had to go to Zuta and borrow $500. We became reconciled for a while and separated again last September.

"On Nov. 4 Mrs. Herdegen filed an alienation of affections suit against me. I think it was Herdegen's idea, because he threatened me with this suit if I ever told anything I knew."

After her separation from Herdegen Miss Shaw said she was visited by Mrs. Cubb.

Charges Threat of Death.

"She told me that if I ever said anything about Herdegen I would be taken for a ride," Miss Shaw said. "She said I would be found with a gun in my hand and the coroner's jury would return a verdict of suicide."

Mrs. Cubb was questioned by prosecutors. She denied threatening Miss Shaw. She said she was an investigator for Acting Commissioner Alcock at $300 a month and was known as "Operator No. 1." She said she was known to Pat Roche, chief investigator for State's Attorney Swanson.

Mrs. Cubb said she knew Herdegen and had heard that he had obtained his promotion through Zuta. Mrs. Cubb said that she lived at 744 North Pine street.

From Zuta's Deposit Box.

The prosecutors recalled that on the opening of Zuta's safety deposit box on Aug. 19, shortly after the gang leader was slain, a typewritten report of a telephone conversation was found among the papers. The conversation was reported as follows:

"This is Herdegen. Mullin is sore about the Western avenue joint. You better get out. There's going to be a new deal all around and you've got to move some joints."

Zuta's telephone wire had been tapped, prosecutors said. It was evident, they said, that he had procured a copy of the police report on the tapped conversations.

Capts. Willard Malone and Albert Christensen were formerly in charge of the North Damen avenue station during Herdegen's assignment there. Capt. Max Danner is now in command of the district.

Investigate Other Names.

The prosecutors regard Miss Shaw's story as the first important step in the special grand jury's investigation of the alliance between politics and crime with a police link. They said that Miss Shaw had named several police officials, politicians and gangsters in deals maneuvered by Herdegen. These they refused to disclose until they could have an opportunity to investigate her story.

Throughout a night of questioning Herdegen persisted in denial of Miss Shaw's story. He admitted having lived with her, but declared that her story was the effort of a scorned woman to revenge herself on him.

Cossman, whose home is at 105 South Ashland avenue, appeared before a grand jury in 1917 in an investigation of charges that he was collecting tribute from disorderly houses for Galpin, then chairman of the Republican county central committee.

BUYING OF POLICE JOB CHARGED

Miss Bernice Shaw, jilted sweetheart of policeman, and Sergt. Jack Herdegen, whose promotion she charges was bought with cash obtained from Jack Zuta. [TRIBUNE Photos.]

SEIZE 113 IN RAIDS

Police from the state's attorney's office raided two alleged handbooks last night, arresting 113 men as inmates and keepers. The arrests were made as part of the investigation of the police department, it was said.

The first handbook visited was at 815 North Cicero avenue where 44 men, including Joseph Greenspan, the alleged keeper, were taken. It was the second raid at that address in two days. Detectives broke into the place on Friday and arrested 52 men and Greenspan's brother, Edward J. Greenspan, 61 North Central avenue.

Yesterday Edward Greenspan was booked on a charge of attempted bribery. Sergt. Michael Ahern and three other policemen who arrested him charged that he had offered them $500 after the Friday night raid.

In the second raid last night, which was conducted by Sergt. Ahern, 68 inmates and a keeper were seized in the basement of the Royal restaurant at 701 North Clark street.

QUALITY

A speeding automobile on a party of fifteen persons, mostly women, as they stood in a safety loading zone waiting for a street car at 65th street and Ashland avenue early this morning, plowed through the crowd, hurling the people in all directions and injuring seven so severely that they were taken to hospitals. The auto speeded on without stopping.

Two women were so seriously injured that they may not recover. The injured:

Mrs. Mary Gill, 59 years old, 6113 Drexel avenue, fractured pelvis and possible internal injuries. Condition serious.

tension. The gasoline tank of the truck was shattered and fuel splashed into the street car and caught fire, burning rapidly. Passengers scrambled to the street and vainly endeavored to extricate the truck driver, who, pinned in his cab, was burned to death.

Firemen under Chief [illegible] of the 2d battalion extinguished the blaze and kept the crowd from a trolley wire which dangled to the street.

Year's Total Now 7[illegible]

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panied him.

"Well, boys, here I am," said Nitti affably.

Everybody shook hands, including Chief Deputy Marshal Edwarc King.

LOSES AFFABILITY.

The gangster continued in excellent humor until a newspaper man asked him:

"Do you think Leo Brothers is the man who killed Jake Lingle?"

Nitti drew up, his face taking on a scowl. He stormed:

"Do you think I'm nuts?"

He refused to answer any more questions.

Deputy Marshal Joseph Spizzeri was assigned to accompany the gang leader to Leavenworth. A companion prisoner is a drug peddler, under sentence of five years. It was announced that Nitti and the drug peddler were to be handcuffed together.

Nitti is the first of the big gangsters who have been convicted of income tax evasion to start serving. He was also the only one to plead guilty.

1931 100

1931 100

COMPLETE WANT ADS

THE CHICAGO DAILY NEWS

BLUE STREAK FINAL

56TH YEAR—9. COPYRIGHT 1931 BY THE CHICAGO DAILY NEWS INC. MONDAY, JANUARY 12, 1931.—THIRTY-FOUR PAGES. THREE CENTS

'I'M GUILTY,' DRUGGAN PLEA IN TAX FRAUDS

PLEADS GUILTY IN TAX EVASION

Terry Druggan.
[By a staff photographer.]

HIS SENTENCE TO DEPEND ON APPEAL RULINGS

Links Own Case to Capone and O'Brien Findings; Lake Also to Give Up.

HOODLUMS DROP FIGHT

Terry Druggan pioneer he post-Volstead brewing era, w ked into the court of Federal Jud e James H. Wilkerson this afternoon and entered a plea of guilty to charges of income-tax violation.

Peter Sissman, attorney for Frankie Lake, Druggan's erstwhile partner, announced late today that Lake would enter a similar plea.

Druggan, the second hoodlum and public enemy to plead guilty to income-tax charges, was more canny than Frank ("The Enforcer") Nitti, first hoodlum to plead guilty. Druggan stipulated that his sentence be deferred until after the Lawrence C. O'Brien and Ralph Capone income-tax cases are disposed of on appeal and that if their cases are reversed he will only be sentenced on the remaining counts—two misdemeanor charges, which mean a maximum sentence of a year on each count, plus a fine. His plea and the stipulation were accepted.

As the indictments now stand, Druggan, according to sistant District Attorneys Cassi Poust, Jacob I. Gr ssman and D H. Green, faces [illegible] of twenty-two years in the pen [illegible] a total fine of $50,000.

If the United States Court of Appeals and the federal Supreme court uphold the convictions in the income tax cases of State Representative O'Brien and Ralph Capone, Druggan will continue to face such maximum sentence, but in the event of a reversal, the appeal being carried on at the Capone-O'Brien expense, the canny Druggan faces only a two-year sentence.

Waugh Enters Plea.

Defense Attorney William F. Waugh and Druggan appeared in court shortly after 1 o'clock, their second appearance of the day. The income tax prosecutors were also on hand.

Mr. Waugh made a motion to withdraw pleas of not guilty and enter a plea of guilty subject to a stipulation which he presented to the judge.

The judge read the stipulation.

"Is the defendant here?" he asked.

Druggan stepped up, twirling a gray hat in his hands.

"Do you understand this stipulation?" the judge asked.

"Yes, sir," said Druggan in a low voice.

"Do you agree to it?"

"Yes, sir," said Druggan again.

Judge Questions Druggan.

The judge read excerpts from the stipulation and questioned Druggan as to his understanding. Druggan said he understood the stipulation thoroughly.

The judge entered an order accepting the plea and directing the stipulation be filed and that the case be continued to March 2, this merely to allow the judge to retain jurisdiction.

On Jan. 19 "Scarface Al" Capone, jailbird and brothel keeper and Chicago racket boss, is due to appear before Judge Wilkerson in a contempt of court case that may sen him west to Leave worth peniten

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Kansas City, [illegible]
JAN. 18, 1931
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AL CAPONE The Biography of a 'Self Made Man' and the Story of Chicago's Shame

By Fred D. Pasley

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Chicago Election of 1928 Proved Ballot Rebellion, But System Remained

This is the eighth instalment of Fred Pasley's best seller, which the Journal-Post is publishing as a thought provoking document that points out the disastrous result of prohibition. Another generous instalment will appear next Sunday.

EPOSITO'S death was of tremendous significance. He was a leader in the Deneen faction of the Republican party, opposing the American Firsters. In the old Nineteenth ward—now the Twenty-fifth—the Italian district, he was by way of being a political, social and business institution. "Dimey," they called him. His name was a household word. No christening, no wedding, no funeral, no saint's day, was complete without Dimey's presence. In the Christmas holidays he gave his annual party and played Santa Claus for the poor children. He was the ward's godfather.

The result was apparent at election times. Like his friend, Big Jim Colosimo, and like Mike Merlo, Eposito, in the vernacular of the Chicago ward heeler, was a sheepherder; he delivered votes.

His career has a bearing on this story. Fifty-six years old, he was born in the town of Accera, seven miles from Naples, April 28, 1872. In 1895, when 23 years old, he emigrated to America. He worked as a day laborer in Boston and Brooklyn, saving his money. He came to Chisago in 1905, settling in the old Nineteenth ward and opening a bakery. In 1910 he bought a saloon and restaurant at 1048 West Taylor street. It was there in 1917 that one Cuono Coletta shot up a spaghetti party, Joe's brother, Sam, losing a finger. Coletta's head was blown off by a guest who happened to have his artillery handy.

In his exploiting activities, Esposito went a step beyond Colosimo. Whereas Big Jim had banded his fellow countrymen into the Street Cleaners' Social and Athletic club, but had eschewed the labor game as too dangerous, Diamond Joe organized his constitutients into the International Hod Carriers' Building and Construction Laborers' union, becoming their business agent and treasurer. He also founded, and was president of the Circolo Accera, composed of men and women from his Italian birthplace and its environs.

Indicted for Murder.

He was indicted for murder in October of 1908. The charge was that he had shot Mack Geaquenta, a barber, during an argument over a woman. The bullet struck Geaquenta in the mouth and he died without regaining consciousness. The shooting occurred in August. The case was not called for trial until June of 1909. The state's witnesses, whose testimony had brought about the indictment, weakened in their identification of him in court, and the case was stricken off, with leave to reinstate.

In 1913 he married a pretty 16-year-old Italian girl, Carmela Marchese. He was then 41. The wedding, according to his own estimates, cost $65,000, of which $40,000 went for wine. The celebration lasted three days, the entire Nineteenth ward participating.

Esposito's debut into politics was spectacular. In 1920 he entered as [illegible] Deneen candidate for Republican ward committeeman against Chris Mamer, a veteran campaigner and the Thompson entry. That year—it was during Mr. Thompson's second administration—with one exception the Thompsonites made a clean sweep of the thirty-five wards then comprising Chicago. The exception was the Nineteenth, where Esposito beat Mamer hands down. He was the only Deneenite to win. It attracted citywide attention to him.

The victory, with its attendant celebrity, caused him to open the Bella Napoli cafe at 850 South Halsted street, celebrated for its cuisine and as a rendezvous for politicians. The manager was Tony Mops Volpi, a deputy sheriff, whose appointment Esposito had obtained, and who was later sent to prison for complicity in a counterfeiting plot. Dry agents raided the place in June of 1923, seizing a quantity of wines and liquors, and it was padlocked for a year. Esposito pleaded guilty to violating the prohibition laws and was fined $1,000.

In the meantime, with Senator Deneen's support, he had again sought office, as a candidate for Cook county commissioner. He won the nomination but was defeated in the election.

Too shrewd to become openly involved in the bootleg war, he operated always with the factor of safety in mind. He was associated with the Gennas before their break with Capone; he sold sugar to the big alky cooking syndicate in Melrose Park, a suburb northwest of Cicero; in Chicago Heights, Capone territory, he owned the Milano cafe, where dry agents found a 1,000-gallon still, 3,800 gallons of alcohol, fifteen barrels of wine and two barrels of whisky.

His brother-in-law, John Tucillo, a booze runner for Ralph Sheldon of the Capone South Side outfit, was taken for a ride and his body left in a car in front of Sheldon's home, in one of the most asrocious reprisals of the bootleg war. Another brother-in-law, Phillip Leonatti, was shot to death in his cigar store. These facts will suffice to acquaint the reader with Esposito's political and business background.

Good Entertainer.

The social side of him was unique. He had a passion for festal entertaining. For twenty years his annual St. Joseph's day parties were the outstanding events of the Nineteenth ward. It was as a dinner host, however, that he excelled, and the biggest affair at which he ever presided was the victory banquet in February of 1925 to celebrate Mr. Deneen's election to the United States senate. It was given in the gold room of the Congress hotel. More than 1,500 guests, including all the precinct captains and their families, assembled, and Mr. Deneen was presented with a bronze bust of himself.

Local notables present were Municipal Court Judges John J. Lupe, Edgar A. Jonas, William E. Helander, Joseph W. Schulman, William L. Morgan, George A. Curran, John A. Bugee, Francis B. Allegretti, William R. Fetzer, and George B. Holmes; Circuit Court Judges Victor P. Arnold and Hugo M. Friend; Superior Court Judge Harry B. Miller; County Recorder Joseph F. Haas; State Supreme Court Clerk Charles Vail; Municipal Court Clerk James H. Kearns. Father Francis Breen invoked the divine blessing.

The friendship and alliance of Senator Deneen—a parliamentarian dry who voted for the Jones five-and-ten law—with Esposito provides another of the anomalies of prohibition as is.

Denech was present in November of 1925 at the christening party for Esposito's son, Charles Anthony, who was named for him. It was held at the Bella Napoli cafe, from which the federal padlock had been removed a twelvemonth previously.

Esposito was perhaps the most pampered of his kind in Chicago. In 1923, after he had been fined for violating the prohibition laws, he went to Italy—his first and only journey to the land of his birth. Arrived there, he received a testimonial that he cherished until his death. It was a scroll bearing his photograph, with American and Italian flags intertwined. Inside was a message of good will, with assurances of welcome upon his return. On the back were the signatures, among others, of Gov. Len Small, Mayor Thompson, Senator Deneen, and County Clerk Robert M. Sweitzer.

One by one, Esposito had seen both friends and enemies die by the gun—Big Jim Colosimo, with whom he had worked as a day laborer in Brooklyn, at whose funeral in 1920 he had served as pallbearer, and who had introduced Torrio to Chicago; Paul A. Labriola and Anthony D'Andrea, victims of the aldermanic campaign of the thirty assassinations in 1921; Sam Samoots Amatuna; three of the six Gennas—Tony, Mike and Angelo. He had seen them die and on the morning of March 21, 1928, he had had his own warning over the telephone—a seven-word message:

"Get out of town or get killed."

His associates implored him [illegible] leave.

"I can't go," he told them. "Just today my boy, Joseph was taken down with scarlet fever; and I promised Senator Deneen I would run for ward committeeman."

A determined contest was being waged by the America Firsters for that post, their candidate being Joseph P. Savage, a former assistant state's attorney.

"[illegible]t," remonstrated Esposito's [illegible], "you ought to go down to that [illegible] of yours (near Cedar lake, Indiana) and raise chickens for a while."

He shook his head. He had a two-man bodyguard, the brothers Ralph and Joe Varchetti. He wasn't afraid. In the evening he visited his headquarters, the Esposito National Republican club, at 2215 West Taylor street, a few blocks from his home, at 800 South Oakley boulevard. He left the club with the Varchettis.

To quote verbatim from Ralph Varchetti's testimony at the inquest:

We went back to the drug store, after staying about fifteen minutes, Dimey said, "Let's go home," and we started off, putting him between us.

We met a woman on the way—she was an election clerk, and Dimey told her to do what she could in the primary to win him votes—and we stopped for a few minutes while he talked to her. Then we went along Oakley, and when we got about to 810 South Oakley, we heard a shot. I thought it was a blowout.

Then there were more shots, and Joe says, "O my God!" and I knew he was hit. I dropped to the sidewalk and lay flat, with my face in the dirt. I could see Dimey twisting and sinking to the sidewalk. The shots came in bursts of fire from an automobile which had driven alongside of us, from behind.

When the firing stopped a second, I looked up and they fired again. I dropped flat, and this time waited until they were gone.

I got near Dimey and tried to wake him. He was gone.

Only meager descriptions were forthcoming from the Varchettis—three men in an automobile; they didn't recognize them; they couldn't identify them; they didn't notice the make of car. The only clues were two sawed-off double-barreled shotguns and a revolver, which the assassins tossed out as they sped away.

The girl bride of 1913—now a woman of 31—had seen it. She had been hearing whisperings. She was keeping vigil at a front window, with the three children—Joseph, 13 years old; Jeanette, 9, and Charles, 3. She ran to the sidewalk.

"Oh, is it you, Giuseppe?" she wailed, and saw that it was he.

There he lay, on his back, the diamonds that had gained him his nickname glittering in the moonlight—the $5,000 solitaire ring on his right hand; the belt buckle, with the initials J. E. patterned in diamonds; the tie-pin and the shirt studs.

"He was so good to the Italian people and this is what he got for it," she moaned; then, in an access of grief, "I'll kill! I'll kill them for this!"

She didn't. Her lips were sealed at the inquest. She maintained the tradition of the "Italian wall of silence." The police had their theories—booze, politics, the Mafia—but no solutions. The coroner finally wrote it off, "Slayers not apprehended."

Keyed Campaign.

Diamond Joe was laid to rest in Mount Carmel cemetery beside Mike Merlo, Dion O'Banion, Vincent the Schemer Drucci, and others. Among those attending the funeral were Senator Deneen, Assistant United States District Attorney William Parello, Chief Justice Harry Olson of the municipal court, Judge William J. Lindsay of the criminal court, and Bernard P. Barasa.

His death keyed a campaign that was to be memorable for invective and violence. Senator Deneen, still noncommittal in public but vehement in private, seeking to hold aloof from the local melee, returned to Washington, but not for long. A twin bombing—with "pineapples"—within five days brought him back on March 26.

One bomb, charged with dynamite, wrecked the front of his three-story frame residence at 457 West Sixty-first street. The only persons there were Miss Florence Deneen, his sister, and Mrs. Anna Rhodes, a maid. The other bomb, thrown from a black coupe at the home of Judge John A. Swanson, 7217 Crandon avenue, landed in the driveway just as Judge Swanson was turning in from the street. It exploded three seconds before his car would have passed over it.

Senator Deneen ended his silence.

"The criminal element is trying to dominate Chicago by setting up a dictatorship in politics," he said.

Judge Swanson, who was the Deneen candidate for state's attorney, declared:

"The pineapple industry grew up under this administration."

United States Marshal Palmer Anderson in a message to Attorney General Sargent asked for five hundred deputy marshals to guard the polls.

Sen. George W. Norris of Nebraska was suggesting that President Coolidge withdraw the marines from Nicaragua and send them to Chicago.

Mayor Thompson, whose explanation of the bombs, like that of State's Attorney Crowe, was that "they were the work of the Deneen faction because they expect defeat in the prmary," had a new theory as to Esposito's murder:

"They (the Deneen faction) sent prohibition agents here and then some of their own people ran to Joe for protection. He couldn't give it to them, and they wanted their money back. Those birds are tough. You can't take their money and the next minute double-cross them."

Which led the Deneenites to retort that Chief Hughes was still baffled as to the identities of the bombers of the mayor's cabinet family.

The mayor's reference to prohibition agents was caused by the activities of a special squad, which had arrived from Washington coincidentally with the appointment of George E. Q. Johnson, a Deneenite, as United States district attorney on March 30. In a raid on a South Side saloon they had shot William Beatty, a municipal court bailiff, in the back. His story was that when they entered he thought they were holdups and started to run. Myron C. Caffey, accused of shooting him, testified that he drew a gun. A federal grand jury promptly indicted him for resisting a federal officer.

Against Dry Agents.

A tense situation developed. Chief Hughes demanded that Caffey be surrendered to the local authorities. George E. Golding, head of the special squad, told him it was none of his or the police department's business. The chief obtained a warrant and his men marched on the Federal building. Caffey was hidden away and Golding defied them.

"I will do all in my power to save Chicago citizens from any more suffering at the hands of the t[illegible]s and gunmen sent here by [illegible]deral governm[illegible]t to furt[illegible] [illegible]itical in[illegible]ence," said [illegible] mayor.

Sentiment was with him. Salvos of applause greeted his statement at a large South Side meeting that "Deneen in filling this town with dry agents from Washington, who run around like a lot of cowboys with revolvers and shotguns. Our opponents would have us believe we don't know how to run our town. Vote for the flag, the constitution, your freedom, your property, as Abraham Lincoln and William Hale Thompson would like to have you do."

In his denunciation of Golding's tactics, he said:

"We took out a warrant and we'll throw every damn dry agent in jail."

The situation was relieved when Federal Judge James H. Wilkerson ruled that Caffey should be surrendered to the police—but not until after the election. Beatty's wound was not serious, and Caffey was not prosecuted.

Judge John A. Swanson, whose victory over Robert E. Crowe for the state's attorneyship, was the focal point of the 1928 campaign in Chicago and Cook county.

The mayor's stand was considered to have been sustained when Seymour Lowman, assistant secretary to the treasury, in charge of dry law enforcement, issued an order that "an officer shall not use his official authority or influence to coerce the political activity of any person or body."

Chicago's choicest oases were mopped up by the raiders. One of them was the Rainbo Gardens, owned by Fred Mann, the mayor's intimate friend and a contributor to his mayoralty campaign in 1927. After the raid he went to Washington and protested to Secretary of the Treasury Mellon, alleging political persecution. Secretary Mellon suavely agreed to "look into the matter," but Mann's place was eventually padlocked.

The effect of these things was to thrust the prohibition problem and its corollaries into the forefront of campaign issues.

Judge Swanson, arranging for a meeting in Elmwood Park Grace Methodist church, was informed by the pastor, the Rev. Thomas H. Nel[illegible]n, that he would have to give his personal guarantee of reimbursement for damages on the event the church were bombed.

"We approached eight insurance companies for policies covering riot and civil commotion," explained the pastor, "and each company refused to write us coverage."

To such a pass had Chicago come in the spring of 1928. The whirlwind was gathering. Whether the onlooker sided with the Deneenites or the America Firsters, one fact was incontrovertible: vast destructive forces, set in motion through years of paltering with the underworld and its spawn by politicians; years of criminal coddling and vote exploitation, had suddenly got beyond control.

"It costs $243,0000,000 to run Chicago and what are we getting?" asked Edward R. Litsinger, candidate for the Cook county board of review, addressing a noonday meeting in a Loop theater.

Samuel Insull, wealthy Chicago public utility magnate, whose gift to the Thompson political organization for election expenses was $35,000.

"Bombs!" cried the main floor.

"Pineapples!" yelled the gallery.

It was this incident that pegged the election as the pineapple primary.

State Sen. Herman J. Haenisch, abjuring the America Firsters, now opposing the mayor in his own ward—the Forty-sixth—for Republican committeeman, notified the police of a letter warning him that his home would be bombed and his children kidnaped if he did not withdraw from the race.

All the elements of a comedic humaine were in the campaign—pathos, bathos. Here was John Dingbat O'Berta, bantam sidekick of the behemoth, Saltis, the beer peddler, announcing a double-barreled candidacy—for Republican committeeman of the Thirteenth ward, and for the nomination for state senator from the F[illegible] [illegible] speaking [illegible] his behalf, was Big [illegible] Murphy, recently of Leavenw[illegible] penitentiary, where he had b[illegible] doing a stretch for the Polk Stre[illegible] station $400,000 mail robbery. Big Tim was to be machine gunned soon and the Dingbat was to marry his widow.

There were interludes—as when Milton Weil, composer of "America First," and collaborator with Corporation Counsel Samuel A. Ettelson on "Big Bill the Builder," was tendered a testimonial dinner and a $5,500 Lincoln car at the Hotel Sherman. The mayor was out of town and Bernard P. Barasa represented him, referring to Mr. Weil as "one of God's noblemen." City Attorney William Saltiel described "Big Bill the Builder" as "the most inspiring song ever written about an individual."

Capone Into Business.

Al Capone had expanded into legitimate business. He had been taken into partnership by Morris Becker, Chicago's largest individual dyer and cleaner, who had been operating for forty-two years and had ten establishments on the South and North sides of the city. Mr. Becker said that the Master Cleaners and Dyers association wanted to control the entire industry and dictate prices and that "my places have been bombed time and again; my employees slugged; robbed and threatened; then without warning they were called out on strike. Union officials told me I would have to see Walter Crowley, manager of the Master Cleaners. Crowley said if I paid $5,000 and joined the association, everything would be okey."

Mr. Becker had bethought him of Capone, had made him an offer; he had accepted, and—

"Now I have no need of the state's attorney's office or the police department; I have the best protection in the world."

There were incidents apparently detached, unrelated, that yet had their place in the picture—component details of the general composition. Alderman Titus A. Haffa of the Forty-third ward, the Gold Coast, an America First candidate for ward committeeman and whom the reader may recall as having been a cosurety in a $10,000 bond for Dion O'Banion in a robbery case, was indicted by a federal grand jury for conspiring to violate the prohibition laws. The evidence revealed that he was the head of a liquor syndicate with a business of $5,000,000 a year. He was eventually convicted, fined $11,000 and sentenced to serve two years in Leavenworth.

Haffa and his colleague, Alderman Arthur F. Albert, in the spring of 1926, sponsored the candidacy for congress of Mrs. Bertha Baur, wealthy widow, of the Chicago social register. She sought to defeat the incumbent, Fred A. Britten, for the Republican nomination in the Ninth District. Her campaign was sprightly and picturesque, the chief feature being an oldfashioned, horse-drawn beer truck, loaded with kegs, which paraded through the downtown streets. It bore a large sign, inscribed:

AL CAPONE
BEER AND LIGHT WINES
DELIVERED TO YOUR HOME
Vote for
BERTHA BAUR FOR CONGRESS

Mrs Baur's candidacy, while unsuccessful, excited much comment, and the lager truck caused many demonstrations of popular approval, the crowds invariably acclaiming her as "Bertha Beer."

Up to within a fortnight of the primary, the Deneenites' cause seemed hopeless. They had suffered an irreparable loss in the death of Joseph F. Haas, county recorder, around whose office their organization had been built—with six hundred jobs for their adherents. These jobs, at Haas' death, had reverted to the American Firsters. Epsosito's untimely demise was aother reverse.

America First Machine.

The America First machine was the most powerful ever developed in Chicago. Excepting federal appointments, it controlled all the city, county and state patronage—an army of something like 100,000 workers. And it was axiomatic that the machine had never been beaten in a primary election. Predictions were that it would win with majorities ranging from 90,000 to 150,000.

Admittedly, the ticket had encumbrances in Governor Small, seeking a third-term nomination, and Col. Frank L. Smith, candidate for the United States senate, but Mayor Thompson's generalship and proved campaigning ability were relied upon to carry them through.

The governor's record of pardons—more than 8,000—was against him, and he had also been involved in the scandal of the diversion of state funds while state treasurer. He had been tried, after many delays and changes of venue, before Circuit Court Judge Claire C. Edwards, at Waukegan, Lake county, on a charge of embezzling $500,000, and had been acquitted.

Investigating charges of jury bribing, a grand jury summoned Umbrella Mike Boyle, Chicago labor boss, and Ben Newmark, cousin and political protege of Corporation Counsel Ettelson. They refused to testify and were sentenced to serve six months in jail for contempt. Governor Small commuted their sentences after they had served thirty days. Newmark in the interim had become an assistant state fire marshal. He later was murdered.

Two members of the Small jury were appointed state highway commissioners, a third an assistant state game warden, and Sheriff Elmer I. Green of Lake county state superintendent of prisons. In a master in chancery suit Governor Small was ordered to repay the state $650,000, which he did.

Colonol Smith, in November, 1926, had been elected United States senator to succeed William B. McKinley, whose term expired March 4, 1927. Mr. McKinley died in December, 1926, and Governor Small appointed Colonel Smith to serve our his unexpired term in the Sixty-ninth congress. He was not permitted to take his seat.

Appearing again at the opening of the Seventieth congress, he was again excluded, and Vice President Dawes appointed a committee to investigate his campaign expenditures. Testimony revealed that he had spent $458,782, of which $203,000 had been contributed by public utilities magnates of Chicago. Samuel Insull's share being $158,000. This at the time when Colonel Smith was chairman of the Illinois commerce commission. He had given up his credentials in January, 1928, and was again submitting his case to the electorate.

Insull's Big Gift.

[illegible]nother disclosure was that Mr. [illegible] through [illegible] Attorney Daniel [illegible] law pa[illegible] [illegible]nsel Ettelson, had advanced $35,- [illegible] to the Thompson organization. [illegible] Ettelson-Schuyler firm handled Insull's legal business.

[illegible]r member of the Cook county bo[illegible] of review, the America Firsters [illegible]ere running Bernard P. Barasa, an assistant corporation counsel, against Litsinger, incumbent and Deneenite. For the state's attorneyship, Judge Swanson was apposing Robert E. Crowe, a man of brilliant intellect and promise, accounted the ablest prosecutor Cook county ever had, and considered by his friends to be headed for the governorship.

Mayor Thompson was seeking no office, except that of committeeman of the Forty-sixth ward, his election to which was regarded as a foregone conclusion. His role was that of director general of the fight; commander-in-chief of the machine's city, county and state forces.

Charles S. Deenan, who as United States senator rushed home from Washington in 1927 after the murder of Diamond Joe Esposito to take part in the political fight that followed.

As has been said, the Deneenites' cause seemed hopeless up to within a fortnight of the primary. They could not get going, while the America Firsters were steaming along at top speed, with Mayor Thompson vigorously prosecuting his "draft Coolidge" movement, farm relief, waterways, anti-World court, and no entangling alliances—not overlooking, occasionally, His British Majesty.

"Bourbon has increased in price from $1.50 to $15 a bottle," he told an audience, "and King George's rum running fleet, 800 miles long, lies twelve miles off our coast. So every time you take a drink, you say, 'Here's to the king!'"

Then occurred the bombing of Senator Deneen's home and the tossing of a bomb at Judge Swanson's car. A reaction set in, which was accelerated when the opposition ascribed both outrages to the "Deneenites themselves," as a maneuver for sympathy. The shift in public sentiment was selfevident, but not overwhelmingly pronounced. Its strength was undetermined, debatable The moment was like that when one stands on the seashore at ebb, just before the turn.

The evening of Tuesday, April 3, Mayor Thompson was speaking at Prudential hall, North avenue and Halsted street, hard by the river, Goose island, and the switch yards, where the women folk wear cotton stockings and the men red flannel underwear.

"Litsinger," he shouted, "was brought up back of the gashouse, but it wasn't good enough for him, so be moved up to the North side (the Gold coast) and left his poor old mother behind. . . ."

There was an interruption. A woman in the audience had leaped to her feet.

"You're a liar, Mayor Thompson!" she screamed. "My mother died long before my brother moved."

She was Litsinger's sister.

The meeting ended in pandemonium.

Trifles Have Effect.

In politics, as in war, apparent trifles often decide the outcome. The whole character of the campaign changed from that night. Listinger, stung to the quick, lashed out with a fury unprecedented even in Chicago, where vituperation is accepted as a matter of course. He saw red

"This low-down hound," he thundered the next day from the stage of the Olympic theater, "who degrades himself and the city of which he is mayor, is guilty of as false and malicious a lie as wes ever uttered in a political campaign. This man, who claims to possess the intelligence and instincts of a human being, digs down in a grave that was closed twenty years ago, and blasphemes the memory of my dear old German mother.

"Thompson knows that my dear old mother died twenty years ago, that she lived in my home up to the day of her death, and that from the time I was able to earn a dollar, she shared everything I had. For ten years, while I worked in an insurance office and studied law at night to become a lawyer, my mother and I lived on my salary of $70 a month.

"I did come from back of the gashhouse, in Bridgeport, and from the bitterest kind of poverty. It's beyond politics. This is a question of ordinary human decency. When this befuddled big beast dares go back twenty years to desecrate my character as the faithful son of a poor old German mother, he should be tarred and feathered, and ridden out of town on a rail."

It was high irony and drama that the mayor and Litsinger should thus be juxtaposed. They had once been political bunkies. In the mayoralty campaign of 1919, Litsinger had been not only his supporter, but also his close adviser.

They were of and by Chicago—reared and bred to the environment—"talking the language"—adapted physically and mentally to its ebullient life, to the clamor of its growth. Each had a spacious animality of spirits—a gusto for the fustian and the hurlyburly; each was seasoned by many a campaign to the rough and tumble of the hustings.

[illegible] Showman.

For more than a decade—since his discovery by Fred Lundin as "presidential timber"—the mayor had been without a peer as a political speaker. His appeal to the crowd was irresistible, comparable to that of a Billy Sunday. He was a born showman. Consciously or unconsciously, he had dramatized himself. He was Big Bill Thompson—Big Bill the Builder. He was Chicago's platform champion, and none had successfully challenged him; no opponent had ever withstood his withering fire of sarcasm and invective.

Litsinger, in the public mind, had never been remotely associated with him as a rival. Litsinger was only another member of the board of review—no color there—no appeal—no chance of dramatization. Litsinger, anyway, had had his innings against Thompson; in the 1927 primaries he had contested for the Republican nomination for mayor and had been snowed under, Thompson getting 342,237 votes to 161,947.

Therein lay the irony and the drama of their juxtaposition a week before the primary election. Blind to all issues, oblivious to the hokum of politics, Litsinger, a Stromboli of stentors unpent his verbal lava, smoking hot. He was blighting, devastating:

"This man with the carcass of a rhinoceros and the brain of a baboon"

Again:

"Big Bill vilified my family and desecrated the memory of my mother. I have here," waving an envelope, "affidavits relating to the life of the big baboon. Shall I read them?"

"Go ahead!" yelled the gallery. "Give him both barrels!"

"No," cried a woman, "don't do that!"

"No," said Litsinger, whom the press had now tagged as the "Bridgeport Battler," "that old German mother of mine this man has struck at through me, is looking down on me from above, and may God strike me speechless if I ever descend to the level of Thompson."

It was not etiquet by the book; it was not cultured; not refined; not edifying; to the fastidious it would have smacked of the barroom—billingsgate. It was raw human stuff, distilled from the sweat and the soil of the Middle West. It was "the language," and the mass of the citizenry understood it, avidly devoured it, applauded it uproariously. Overflow houses greeted the Deneenites, where before there had been empty seats. Litsinger had broken the Thompson crowd grip. A new platform champion had been acclaimed.

The psychological value was incalculable. Theretofore the stigma of "reformers," in itself sufficient to defeat any ticket in Chicago, had attached to the Deneenites and particularly to Judge Swanson. Litsinger counteracted it. He obtained a hearing for his side. His fulminations registered.

"You know the Three Musketeers," he roared. "They are Big Bill, Len Small and Frank L. Smith. The right way to pronounce it is the Three Must-Get-Theirs. Insull's shadow is over everything in the Small-Smith-Thompson combination."

"Insull's Personal Luggage."

Corporation Counsel Ettelson he described as "Insull's personal luggage." He said it was more than a coincidence that the American Firsters should choose for "one of the foremost places on their ticket, Barney Pineapple Barasa, who is president by proxy of the Unione Sicilione, which he now calls, for political purposes, the Italo-American Union. It is more than a coincidence that Barasa is closely associated with Tony Lombardo, whose association with Al Capone is only too well known."

As to the bombings:

"All Big Bill has to do is to stop singing 'America First' long enough to call Barney Barasa, pal of Al Capone, into his private office at the Hotel Sherman, and say to him, 'Barney, who is responsible for these bombings? Did Al Capone plant those pineapples?' And Barney would be able to tell him. If it was not Capone, Bill could say, 'Well, who was it then?' And Barney would be able to tell him. In five minutes Bill could find out."

And Judge Swanson was voicing the question that was to dog State's Attorney Crowe to the end of his career:

"Who killed McSwiggin?"

There was no answer to that, and there was none to the assertion that Barasa was connected with the newly organized Italo-American Union. He admitted it.

Gov. Len Small of Illinois, whose record of more than 8,000 pardons did him no good in the election of 1928.

State Senator Herman J. Haenisch, opposing the mayor in his own ward for committeeman, was declaring that "the present Republican machine has exacted such tribute from gamblers and moonshine parlors that they have been forced to plunder their victims as never before in order to make payments of graft."

Indications that all was not well within the ranks of the America Firsters came two days after Litsinger went into action. As rumors persited that leaders were [illegible] out [illegible]e ticket to have the[illegible] elec[illegible] ward [illegible]ommi[illegible] [illegible] summoned [illegible] tra[illegible] committee, and said:

"We have no place for trimmers and double crossers. We are in this fight for the people, to protect them from the thugs brought here by Senator Deneen's friends under the guise of dry agents."

He then made two remarkable statements, which were widely quoted. One was:

"Should Deneen's candidate for state's attorney win next Tuesday, we will seriously consider resigning from office."

Campaign Begins.

The other one had to do with Attorney General Oscar Carlstrom, who had intimated that he might call a special grand jury to investigate some of the mayor's associates.

"If Carlstrom attacks me, as I understand he threatens to do," he said, "I will resign and ask President Coolidge to turn the federal patronage over to me. I will recommend a new United States district attorney and start something myself."

In the beginning, the campaign had been international in scope—antiworld court and no foreign entanglements; with a broad domestic program—Draft Coolidge, farm relief, flood control and waterways. Now, at the close, these had been shunted into the discard. The election was to pivot on the issues of the alliance between politics and crime; the city hall and the Unione Sicilione; Al Capone; rule by the gun and the bomb.

Churches Take Hold.

Easter Sunday, two days before the primary, in a thousand and one churches throughout the city the clergy devoted the services to exhortation and prayer.

"We have a governor who ought to be in the penitentiary," said the Rev. Asa J. Ferry, standing among the Paschal lilies in the pulpit of the Edgewater Presbyterian church.

"Ours is a government of bombs and bums, of grafters and corrupt politicians," said Louis L. Mann, rabbi of Cinai congregation.

"O Lord! May there be an awakening of public spirit and consciousness," prayed the Rev. Charles W. Gilkey of the fashionable Hyde Park Baptist church. "Grant that we may be awakened to a sense of our public shame."

"Chicago needs a cleaning. I hope every man and woman goes to the polls," said the Rev. Walter A. Morgan, D. D., of the New Congregational church.

"Vote as a sacred Christian duty," urged the Rev. James S. Ainslie of the Argyle Community church. His Easter-morn congregation was greeted with a placard bearing the inscription, "Bad officials are elected by citizens who do not vote."

Newspaper correspondents from the East, the West, the North and the South, mobilized as on a battlefront. The London and the Paris press were represented by men from their New York City and Washington bureaus. The eyes of the world were on the pineapple primary.

"Will they get out and vote?" was the paramount question.

The registration in Chicago was 1,228,283. Based on past records, a percentage of 53.71 of the total vote was a fair average in a primary. The 1924 presidential primary had established that figure. The 1927 mayoralty primary vote, the highest to date, had been 668,511, or 58.48 per cent. The wiseacres were predicting something like that this time—around 695,000. Eliminating 165,000 of that as belonging to the Democratic party, in which there was no contest, the Republican vote would be 430,000.

The war correspondents had their fill of thrills. It was a day of sluggings, ballot box stuffing by shotgun squads, and kidnapings, culminating in the murder of Octavius C. Granady, Negro attorney and ex-service man, and Deneen, opponent of Morris Eller, America Firster, for Republican committeeman of the bloody Twentieth ward. Machine gunners pursued him through the streets, shooting him down after his car had crashed into a tree.

Capone, ostensibly in exile during the campaign, was a conspicuous figure, casting his vote in his home ward, the Eighth, and directing activities in Cicero.

Chicago, Cook county and Illinois surpassed all expectations. For the governorship nomination, Louis L. Emmerson's plurality over Small was 439,792; he received 1,051,556 votes to Small's 611,764. Between them they had a total of 1,663,320, an all-time Republican record, exceeding the vote cast for Coolidge in the November election of 1924—1,453,321. Glenn for the United States senate received 855,356 votes to 611,879 for Smith.

Swanson's Victory.

Swanson's victory over Crowe for the state's attorneyship—focal point of the campaign in Chicago and Cook county—was equally decisive, his margin being 201,227. The complete vote was, Swanson, 466,598; Crowe, 365,371. Crowe carried Cicero, receiving 5,180 votes to Swanson's 4,923.

In the privilege wards, where vice and gambling concessions were openly let, majorities were returned for the American First ticket—the First, where Big Jim Colosimo rose to power, and where Capone maintained his G. H. Q.; the Twenty-fifth, where Diamond Joe Esposito was murdered; the Forty-second, the late Dion O'Banion's bailiwick; Homer K. Galpin's ward, the Twenty-seventh; the Twentieth; the Second and Third, the Black Belt; and all the wards where the foreigners predominated.

As in the state, so in the city and county, the Republican vote smashed precedent—reaching nearly 800,000, confuting the wgiseacres. How utter was the rout of the machine was indicated when the returns from the mayor's home ward, the Forty-sixth, disclosed that he had been beaten by State Senator Haenisch for committeeman. The administration's bond issue program—thirty-one propositions, totaling $77,959,000 for public improvements—was rejected by a two-to-one vote.

It was a ballot rebellion and was so hailed by the press of America and of Europe. To quote editorial comment:

Washington Post: "The primary brought results that are gratifying to the entire country. It was a mighty blow for the restoration of law and order in Chicago. The voters seems to have been aroused from their apathy."

St. Paul Pioneer Press: "The [illegible] publican voters of Illinois [illegible] cleaned house, unaided by t[illegible] rines. . . ." [illegible]

San Francisco Chronicle: "[illegible] jection to having Chicago ele[illegible] dominated by bombs and its ev[illegible] day affairs superintended by gu[illegible] men with machine guns was an important factor in the election."

New York Times: "The political revolution in Chicago came as a surprise to most political observers. They had thought that the city was disgraced, but not ashamed."

Louisville Courrier Journal: "Chicago and Illinois have made a good job of it so far. It required a great deal to bring Chicago to its senses."

In London, the press was gleeful. To quote:

The Morning Post: "Evidently the self-respect of Chicago is tired of being made a byword and a laughing stock by its present mayor. It has told him in effect it is his own 'snoot' rather than King George's that needs to be kept out of the city."

Lord Beaverbrook's Daily Express: "Big Bill Thompson has been hit by his fellow citizens in Chicago in a place where it really hurts."

The Daily Telegraph: "A miracle has supervened, but whether he will resign as he vowed to do if beaten, is another matter."

Paris newspapers made a Roman holiday of it:

"Eight Thousand Gendarmes Guard Polls in Chicago—Fusillades of Bombs—Elections a l'Americaine!" headlined the Intransigeant.

Le Journal gravely told its 2,000,000 readers how "the good city of Chicago, which formerly had the Korld's fair, and enjoys a world-wide reputation as the great center of the meat industry, has developed a new form of slaughter, heretofore limited to the stockyards. It is human lives in which that world's sausage metropolis is now specializing."

In Chicago, the Herald and Examiner, a Hearst newspaper, which had championed the America First cause and supported the Thompson-Small ticket unconditionally, stated in its leading editorial two days after the election:

Protest Against Colosimo.

"The vote of Chicago in the primaries on Tuesday was a direct and tremendous expression of protest against the lawlessness and violence of booze runners, the gambling managers, the bombsmen (sic) and the gunmen of Chicago. The situation had, to the minds of the citizens in general, got past bearing, and they freed their minds in the only way they could—at the polls."

Would the mayor resign?

"Let's analyze the situation," he said. "I haven't lost out so much in the election. I've got a majority of the ward committeemen, and the sanitary districtt rustees. You'd think I'd lost the whole fight. Why should I resign?"

"But you said definitely you would get out if Swanson were nominated!"

"Well, I'll say definitely now that I'm not getting out."

There soon followed the decision of Judge Hugo M. Friend in the realty experts' fees case. It was that the mayor, Michael J. Flaherty, president of the board of local improvements; George F. Harding, county treasurer; and Percy B. Coffin, public administrator, among others, were guilty of conspiracy and should make restitution to the city of $2,245,000. The decision set forth that when great sums were needed for political purposes in 1921, they had conceived a plan to pay "experts" some $3,000,000 to appraise improvements, the "experts" turning back most of it to the Thumpson treasury.

(To be Continued next Sunday.)

U. S. TRACES ‘D

1931 100

Guard Against Lynching After Sheriff Is Killed

Crowd outside jail at Bucyrus, O., after Sheriff George Davenport had been killed when he surprised three Negroes robbing a chicken coop. One of the Negroes, who attempted to escape from the jail after confessing killing Davenport, was killed by a deputy.

[Acme-P.&A. Photo.]

rs of today and the murderers of a previous time it is that the former have eliminated the latter.

Began in Sicilian Neighborhoods.

"The assassinations which have made Chicago notorious began in the Sicilian settlements. The victims were Sicilians; the motives presumed to be blackmail. Pistols or shotguns would roar on some crowded street of Little Hell, as the neighborhood was called. The police arriving on the scene would find a murdered body and no witnesses would admit knowledge of the killing. Subsequent murders were imagined to be in revenge and blood feuds among the immigrants were continuous. For a number of years these assassinations were confined to the Sicilian quarter and to a people utterly unknown to the rest of the citizenship.

"Several years ago, realizing that nest of lawlessness among the forign criminals was growing in our ommunity, I went to Washington and ersonally asked President Coolidge to nstruct the agents of the federal govrnment to deport the alien criminals. e gave the necessary orders, but the nited States government moves slow- and it is only in recent months at progress has been made in this rection.

The Colosimo Murder.

"The first murde

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Colosimo. Colosimo operated a restaurant and cabaret. The restaurant was said to be well conducted and the entertainment, I am told, was of high class. The chief entertainer, under the name of Dale Winter, an American girl, for some time enjoyed a success on the stage as well as in the cabarets. When Colosimo was divorced from his wife and shortly after married Dale Winter, the event was widely reported, and when shortly afterwards Colosimo was assassinated in his restaurant, and when the new wife, in a panic, renounced all claim to his estate in favor of the divorced wife, the matter was set down as one more revenge of Sicily.

"Another series of murders to attract more than passing attention were those of Dean O'Banion, Big Tim Murphy, Diamond Joe Esposito, 'Red' McLaughlin, and the victims of the Valentine day massacre, including James Clark and Dr. R. H. Schwimmer.

O'Banion, then "Hymie" Weiss.

"O'Banion was considered a hard character, and great surprise was expressed when he entered into partnership with William Schofield, a florist of good reputation, with a shop on State street, near Superior street, opposite the Roman Catholic cathedral. O'Banion was killed in the shop, and machine guns mounted in an apartupon the street in front, focused on an automobile that drew up before the shop and killed his lieutenant, "Hymie" Weiss. Bullet marks were made upon the stones of the cathedral.

"By this time gang murders had become celebrated, and whether more numerous than before or not, they began to attract first the attention of the city and afterwards the entire world.

"On April 27, 1926, an assistant state's attorney named McSwiggan was killed by machine gun fire in one suburb. On Jan. 6, 1927, the home of Ald. Thomas Wallace, one of the best men in the city council, was bombed. In 1928, on the eve of the county election, the home of Senator Charles S. Deneen and John Swanson, candidate for state's attorney, were dynamited. On Feb. 2, 1930, Julius Rosenheim, an employé of the Chicago Daily News, was killed within a block of his home.

Reporter Lingle Killed.

"On June 9, 1930, Alfred Lingle, a police reporter of THE CHICAGO TRIBUNE, was shot and killed in the subway under Michigan avenue while on his way to the horse races, and on the same day Leland Reese, reporter of

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publication of the accurate information obtainable, which was very little, and editorials calling upon the authorities to destroy the growing army of criminals before they destroyed the city. The assassination of a member of THE TRIBUNE staff laid before us the question whether to accept the situation supinely and by our timidity to invite further assassination or threats of assassination, or to take up the challenge of gangland, thus hurled at our feet. The question was only new as to size.

"THE TRIBUNE has always prosecuted attacks on its employés and its property. The year before, after a six months' search, THE TRIBUNE, with the aid of the police, had tracked down and sent to the penitentiary for fifty years a man who had criminally assaulted one of its subscribers. In the present instance, opposed as we obviously were by organized crime, with its terrorist methods and ramifications, which at that time were unknown to us, a greater degree of organization was necessary. State's Attorney Swanson was asked to appoint a very experienced lawyer to investigate this case and to assign his principal investigator to work with him.

Given Loyal Coöperation.

"In Chicago there is no organization of crime abating authorities. The coroner, the chief of police, the state's attorney, and the sheriff are all independent of each other, nor is there any connection between them and the courts, and the pardon and parole power, such as is found in the federal government.

"I am glad to report that all these unrelated officers have lent loyal cooperation. The first evidence was uncovered by Coroner Bundesen. Chief of Police Alcock arrested the murderer Stanton, who is about to be tried in Wisconsin for the assassination of Jack Zuta, a murder like that of Julius Rosenheim, apparently connected with the Lingle murder.

"The present parole board, acting under the advice of Attorney General Carlstrom, reincarcerated two serious criminals found at large and who were combating the investigation, while State's Attorney Swanson has been the pillar in this investigation in the face of savage attacks from quarters where he should have expected whole hearted support.

Federal Officials Take Hand.

"By happy coincidence the investigations of the United States district attorney, George E. Q. Johnson, into the income tax frauds of the professional criminals reached the stage of prosecution at this time and the conviction by him of outstanding gangsters not only removed them from activity but clontributed its full share to the breakdown of the supremacy of gangland.

"It was Judge Lyle, sitting in the Felony court of Chicago, who introduced a new chapter into our criminal history by treating the principal scoundrels, burglars and murderers as the felons they are, without the deference to which they had been accustomed from other judges. Judge Lyle's conduct appeared the more sensational in that it stood out in such violent contrast to a number of other judges whose courts were mere ra holes for the of crimin

ed m with the decision of the urts in se states where crime is under control than in others, where criminal lawyers and lawyer criminals have been active in the legislature and in judicial conventions.

Crime Commission Helped.

"It is only just, also, to give credit to the untiring efforts of the Chicago crime commission and to the investigations of regular and special grand juries which, if they have not accomplished any striking successes, have continuously sapped the base of the criminal structure. Indeed, I attribute as much credit to the weakening of the whole structure of organized crime by these many contributors as to the immediate investigators that a gangland murderer has been detected and arrested for the first time in Chicago or for the first time in the United States.

"The progress that has been made in six months is just this—that where six months ago resistance to crime in Chicago appeared hopeless, we now know that a vigorous and relentless investigation will apprehend the guilty.

"Business organizations, please take notice. The practice on the part of business houses, which is now universal, of confining their self-protection to burglary insurance, and the practice of insurance companies of placing rates high enough to cover their losses, without the effort on either part to catch the criminals, must give way to liberal appropriations for detection. These appropriations in turn will bring down our burglary insurance rates, which are now a serious tax upon business.

Exposé Must Be Wider.

"The valuable work of the Chicago crime commission in disclosing the entity of the public enemies and of those judges who by the acceptance of fake bonds and other subterfuges have facilitated the escape of criminals must be extended to identify individuals and organizations who while ostensibly members of our civilized society are benefiting directly or indirectly from underworld activities.

"It has been said with considerable justice that Chicago, as the transportation center of the continent, the principal market of America, must inevitably be the center of criminal activity and the central market of stolen goods. On the other hand, we cannot escape the fact that unless the legitimate market can destroy the criminal market, in its turn it will be destroyed by the criminal market. The problem is more serious than one of mere reputation. It is a problem of economic existence and life itself."

CRESTON IOWA ADVER
TUESDAY, FEBRUARY 17, 1931.

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...he Western Society of Engineers. This is intensely important because of the completion of the su way, extension of street car lines, widening of streets, and other great improvements, totaling in the neighborhood of $350,000,000, considerable of which has to do with the anticipation of the World's Fair.

7. The public welfare department in order that it may more effectively and efficiently function in behalf of women and children especially, and heads of families who are out of employment, should be headed by a practical charitable and social worker of the type of Jane Addams and Harriett Vittum.

8. Establishment of a scientific budget system for keeping appropriations within the city

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The government's inc against Christian P. building commissioner Thompson's cabinet, is tion by the federal grand

This became known lowing the holding of final hearing in the of States Attorney George son on the Paschen ca been under investigation the special intelligence revenue department, for years.

This hearing, it is said a series that are alway cused persons in income fore their indictment. Af hearing, action by the has heretofore followed w weeks.

Gangsters Are Puni

The investigation of Pa come is a part of District Johnson's victorious campai politicians and gangsters. the income tax weapon, Cap leaders have felt the weight Sam's hand. Ralph Capone, of Al; Jack Guzik, and Fra have all been convicted of tax Terry Druggan and Frank La also under conviction on their of guilty. There are reports th government is preparing to brin Capone himself to book for tax d ing.

The district attorney's campaign has also been effective against

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IN FRAUD CASE

(Continued from First Page.)

questioned standing and probity have appeared before the court and attested the good standing, character, political and social position of the defendant.

"They have honestly and sincerely impressed upon the court the desirability of granting him probation.

"Besides the hearings had in open court the presiding judge has received letters; has been solicited privately by prominent and influential citizens, some prominent in official circles and many of them high in the councils of their political parties; has been besieged in his home, on the street and in his chambers, all suggesting, recommending and urging that probation be accorded the defendant.

Persistence Brings Suspicion.

"The presiding judge has tried to give all a respectful hearing, whether they appeared in open court or in private. However, this presiding judge is always dubious of the merits of any application that is pressed with such persistence and with such transparent calculation.

"Needless to say, many of these appeals beseeched the court to accord probation on grounds never contemplated by congress in enacting the benevolent provision of the probation act.

"Defendants must learn that they not advancing favorably an ap ation for a judicial ruling by in ing their friends, however exalted ir political, business, financial or ial position may be, to whisper into the judicial ear in private.

"In spite of the many furtive and insidious advances that have been made to the court—encouraged, if not instigated by the defendant—the court will decide the application on its merits."

Cites Probation Law.

The judge then read excerpts from the probation law, citing that it was intended to provide for the ignorant, the poverty stricken, the youthful.

"It will be perceived," he continued, "from the description just given that the defendant does not fall within the class intended by congress to be beneficiaries of the act."

Judge Woodward sketched Oliver's life—ten years on the stage and with carnivals; eighteen years as secretary to the board of assessors; six years as an assessor and a leader in the republican party.

"Not only," said he, "does he not fall within the class for whom the probation act was drawn, but the record of his trial is sufficient to warrant the denial of probation.

"During the years covered by the indictment he was a member of the board of assessors of Cook county, with a salary of $9,000 per annum. He had o other legitimate business nor inv ments which yielded an income s as the evide e disclosed. the year made deposits in banks of nearly $500,000. In addition he received and paid out large sums in cash, the amounts of which are purely speculative."

"Faithless to Trust."

The judge then quoted from his decision finding Oliver guilty and went on to describe Oliver as "faithless to public trust as an elected official," and added that "the evidence disclosed he prostituted his public of e for private gain."

"These receipts—many em—at ast th Wie trans ," said der the pleasing and euphonious name of campaign contributions. Having profited from malfeasance in public office, the defendant was under the strongest pressure to evade and defeat the income tax.

"This court is of the opinion that awarding probation to this applicant would defeat and not promote the ends of justice. It would be a gross perversion of the intent and purpose of the probation act. It would not only bring the probation l v into disrepute but would engend contempt for this court.

"Accor ngly, n for bation de ered."

1931

Aid, Given a Year for Income Tax Fra d.

By the United Press.

CHICAGO, April 1 .—The government's drive against Chicago gangsters, racketeers, and corrupt politicians had its eighth conviction on income tax fraud charges today, with Sam Guzick, brother of Al Capone's chief lieutenant, facing a year's imprisonment and a $2,500 fine. The convictions include six gangsters and two politicians.

Guzick, a slot machine operator and racketeer, was prosecuted by U. S. Attorney George E. Q. Johnson. Guzick pleaded guilty t charges of evading income tax pay ents from 1927 to 1929, and wa tenced to Leavenworth Pen iary by Federal Judge Ja erson. Stay of executi ntil June 1.

1931

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CRESTON IOWA ADVER
TUESDAY, FEBRUARY 17, 1931.

XX.

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Prosecutors… to Press…

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The government's inc… against Christian P. … building commissioner… Thompson's cabinet, is r… tion by the federal grand…

This became known y… lowing the holding of a… final hearing in the offi… States Attorney George… son on the Paschen case… been under investigation… the special intelligence u… revenue department, for… years.

This hearing, it is said… a series that are alway… cused persons in income t… fore their indictment. Af… hearing, action by the … has heretofore followed w… weeks.

Gangsters Are Puni…

The investigation of Pa… come is a part of District… Johnson's victorious campai… politicians and gangsters. … the income tax weapon, Cap… leaders have felt the weight… Sam's hand. Ralph Capone,… of Al; Jack Guzik, and Fra… have all been convicted of tax… Terry Druggan and Frank La… also under conviction on their… of guilty. There are reports th… government is preparing to brin… Capone himself to book for tax d… ing.

The district attorney's campaign has…

…ROBATION PLEA IN FRAUD CASE

Under 18 Months' Sentence; Judge Assails Efforts for Mercy.

County Assessor Gene Oliver, under sentence of eighteen months for income-tax fraud, today was denied probation by Federal Judge Charles E. Woodward in a biting opinion in which the judge scored Oliver as "a faithless public official" and protested vehemently against "the furtive and insidious advances made to the court."

Oliver, who had been encouraged a few days ago when the judge seemed to indicate that probation might be granted, became gloomier and gloomier as the judge's opinion progressed and clear indication came that probation would be denied.

Judge Woodward reduced Oliver's fine from $12,500 to $7,500. That was the only sunny spot in the proceedings so far as Oliver was concerned. The judge gave high praise to Assistant District Attorney Cassius Poust, Jacob I. Grossman and Dwight H. Green, who prosecuted the case.

Another factor that entered into the denial of probation, Judge Woodward's opinion said, was Oliver's attitude on the civil liability.

Calls Acts "Willful."

The judge's decision read in part: "The acts charged were willful, deliberate and calculated. Were the defense a mere technical violation of the revenue laws, without any admixture of willfulness, it could be left to the imposition of the civil penalties and forfeitures provided for such dereliction. But the offense is not technical. It is substantial."

The judge then said he had postponed hearing on the application for probation when it was represented to him that the documentary evidence had been wrongly interpreted; that a review of it by the income-tax experts at Washington would show no liability on Oliver's part.

"The court cannot disguise its disappointment at the turn of affairs the case took in Washington," he said. "Instead of reviewing the documentary evidence, the defendant offered a compromise of the civil liability, thus tacitly conceding the correctness of the conclusion at which the court arrived.

"On this application for probation the court is not aided by anything that transpired in Washington.

Many Plead for Defendant.

"Extensive hearings on the application have been had. Men of un-

(Continued on Third Page.)

CRESTON IOWA ADVER
TUESDAY, FEBRUARY 17, 1931.

CHICAGO ILL TRIBUNE
SATURDAY, FEBRUARY 21, 1931.

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VOLUME LXXXX.—NO. 45 C [REG. U. S. PAT. OFFICE: COPYRIGHT 1931 BY THE CHICAGO TRIBUNE.] SATURDAY. FEBRUARY 21. 1931.—28 PAGES THIS PAPER CONSISTS OF TWO SECTIONS—SECTION ONE * PRICE TWO CENTS IN CHICAGO AND SUBURBS ELSEWHERE THREE CENTS

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THOMPSON CITY HALL OFFICIAL IN INCOME QUIZ

Prosecutors Ready to Press Case.

(Picture on back page.)

The government's income tax case against Christian P. Paschen, city building commissioner in Mayor Thompson's cabinet, is ready for action by the federal grand jury.

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PASCHEN FACES U. S. CHARGE OF EVADING TAXES

Thompson Cabinet Member in Income Quiz.

(Continued from first page.)

counsel, and the permit was not revoked until the Supreme court declared invalid the ordinance amendment under which it was granted.

In 1927, letters notifying virtually all Chicago builders that they had become members of the William Hale Thompson Republican club were sent out by Paschen. They were later notified that the initiation fee was $100.

Reports that the long projected indictment of Paschen is soon to materialize recalled the cautious statements of District Attorney Johnson when he took his office for a second term. He promised that men just as high in public life as those already convicted would become defendants.

Paschen, in addition to being a city hall power, is the Republican ward committeeman from the 49th ward, where his secretary, Daniel J. O'Connell, who paid a $100 fine for violating the prohibition laws in 1927, is running for alderman.

OLIVER DENIED PROBATION

JUDGE WOODWARD.

Federal Judge Charles E. Woodward yesterday denied a motion for probation of County Assessor Gene G. Oliver, under sentence of 18 months in the penitentiary for income tax fraud. The judge denounced the defendant as a faithless public servant who "prostituted his office for gain."

The court also scored the "furtive and insidious advances" made to him on Oliver's behalf "by prominent and influential citizens. The probation motion for Oliver had been pending since his sentence last July and was bitterly contested at various hearings in court. Judge Woodward granted the first continuance with the understanding that counsel would try

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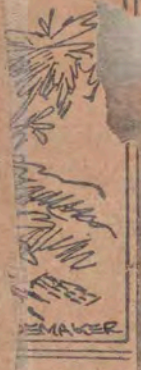

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CHICAGO ILL TRIBUNE
FRIDAY, FEBRUARY 20, 1931.

Alcock Balks at Jury Order to Oust Police

Acting Police Commissioner Alcock refused yesterday to comply with the recommendation of the special grand jury that he suspend seven policemen of the Englewood district who have been accused of grafting. He said he would do so if the policemen were indicted, but that he would not act merely because the seven policemen refused to sign immunity waivers and testify before the grand jury.

CAPT. MICHAEL LEE.
[TRIBUNE Photo.]

The federal government entered the investigation yesterday after seven more speakeasies had been raided in the Englewod district. Assistant United States District Attorney Edward A. Fisher issued a subpœna for Capt. Michael Lee, commander of the district, who is to be questioned about the liquor discoveries made in his district, Fisher said.

Confidential reports made to Lee by his men were obtained yesterday by the state's attorney's office, which thereupon sent a squad under the command of Sergt. Michael Ahern to make further raids in Englewood.

Policemen Are Accused.

The raiders on Wednesday night had gone to 1112 West 69th street, where they found nine half barrels of beer, three barrels and four cases of whisky. The place is said to be a distribution station for Eddie Kauffman, who is reported to have a concession in that neighborhood and who is said to pay $300 a week for protection. Two men, who gave supposedly fictitious names of George Green and Joe Jones, were arrested and turned over to government agents.

Some of the proprietors of other speakeasies were said by Sergt. Ahern to have confirmed statements previously made by other operators of handbooks or saloons that the police collectors of the district were Sergt. John J. Feery and his partner, Detective Fred B. Kel

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FEBRUARY 21, 1931.

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CRESTON IOWA ADVER
TUESDAY, FEBRUARY 17, 1931.

USE TAX LAW TO SPOT GANGS

U. S. District Attorney Finds Effective Way to Net Gangsters.

Chicago (AP)—George E. Q. Johnson, United States district attorney, has found one way to rid Chicago of gangsters—a task that police and state courts had undertaken with scant success.

Only one method has been more successful than that originated by the federal prosecutor for northern Illinois. That was the one employed by gangsters themselves.

Johnson is entering upon a second four-year term as district attorney. He will continue to use income tax laws to decimate ranks of racketeers and gangsters.

George E. Q. is a slender little man with a shock of unruly hair. Calm, scholarly, somewhat dreamy-eyes benevolently peer out through bowed spectacles.

Son Of Immigrant.

But this son of a Swedish immigrant is thorough—so thorough that Frankie Lake and Terry Druggan, play-boy beer peddlers, pleaded guilty to income tax frauds after hearing what their lawyers had to say about the indictments.

The district attorney also convicted Ralph Capone, brother of the notorious Al; Jack Guzik, a sort of Capone chief of staff; Lawrence C. O'Brien, a state legislator, and Gene Oliver, a county assessor. ank Nitti, called the Capone "pay ster", also pleaded guilty to tax ion.

ew had heard of Johnson when . Charles Deneen selected him the Chicago post. He had been wyer enough, however, to earn in xcess of $30,000 a year. The federal job pays only $10,000.

"I will talk with indictments and verdicts," he commented. For two years he didn't do much of that. When he brought Ralph Capone to trial for tax evasion, most of Chicago yawned. Capone, adjudged guilty, was given a prison term. The yawn became cheer.

Take away a gangster's immunity—freedom from conviction, and ability to save others from conviction, and his dominion slips away, said Johnson.

Studied 20 Months.

Johnson had spent 20 months studying how to use the tax law to whip booze runners, beer peddlers, graft profiteers. When the little man with the ascetic appearance d quiet voice questioned them, of them ed of their earn-

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CHICAGO ILL TRIBUNE
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COL. McCORMICK TELLS OF WAR ON CHICAGO CRIME

Addresses Milwaukee Bar Association.

Milwaukee, Wis., Jan. 26.—[Special.] The crime situation in Chicago was discussed today by Col. R. R. McCormick, editor and publisher of THE CHICAGO TRIBUNE, who spoke before the Milwaukee Bar association after a luncheon given at the Schroeder hotel here.

Col. McCormick was introduced by George A. Affeldt, president of the bar association. At the speakers' table, besides Col. McCormick and Mr. Affeldt, were William A. Klatte, William P. Sullivan, Carl Rix, Walter Bender, F. E. McGovern, Judge John J. Gregory, Judge August Braun, Judge John C. Kleczka and Judge Walter Schinz. In addition to the members of the bar association, delegates to the annual meeting of the Wisconsin District Attorneys' association heard the address. Col. McCormick spoke as follows:

"When I asked on what topic your distinguished organization would like to have me speak I was told you would like to learn from me about the crime situation in Chicago.

"A highly exciting play dealing with Chicago crime has been produced in London before crowded houses. Numerous magazine articles of high fictional value have been written by the hack writers of New York. I am not surprised, therefore, that when people who have never seen Chicago write with so much assurance upon this topic you will expect a Chicago editor to speak with full knowledge and authority.

"However, the fact is that the people who have written about Chicago crime have not known anything about it, while the people who know all about it have not written and will not talk, even when under arrest or when at the point of death, and I may add that until six months ago no organized effort was made by anybody to penetrate its mysteries.

Tracing Its Origin.

"Some people trace the origin of our crime disturbances to the anarchists of the late eighties. Others refer to the series of violent strikes which raged in Chicago around the end of the last century. Liberal reference has been made to newspaper wars and THE TRIBUNE'S name has been mentioned as participating in these clashes. The fact as to this last is that the circulation competitions which have been dubbed wars were exclusively among afternoon newspapers. They were two in number—one in the la nineties and the other in the nineteen hundreds. THE TRIBUNE was not engaged as principal or ally.

"It is my opinion any connection b

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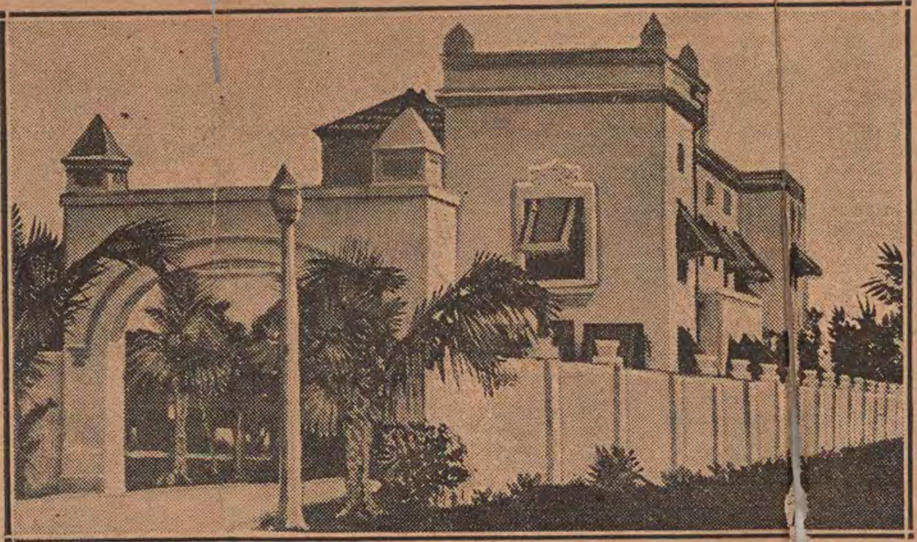
KING OF CRIME

HOW MUCH LONGER CAN HE GET AWAY WITH IT?

Will Killer Al appear soon in a scene similar to this? Photo shows Ralph Capone, the Big Fellow's blood brother, being arraigned before Judge Lyle in Chicago. L. to r., Assistant State's Attorneys Harry Ditchburne and James Brown, Miles J. Devine, Capone's lawyer; Frank Mast, assistant prosecutor, and Ralph Capone.

Frank J. Loesch · *Pat Roche* · *John H. Alcock* · *Gov. Carlton of Florida* · *Judge John H. Lyle* · *U. S. Attorney G. E. Q. Johnson* · *Charles F. Rathbun* · *Col. Ro[illegible] Randol[illegible]* · *John A. Swanson*

SOME OF THOSE WHO ARE OUT TO DRAG THE KING OF CRIME DOWN OFF HIS TOTTERING THRONE.



Here's the King of Crime's winter palace—the Al Capone home in Miami, Fla. After Al was released from prison in Pennsylvania he retired to this place in Florida when Chicago would have none of him. The authorities there made many attempts to oust the king of the rattlesnakes.

prisonment, and he was released after a long hitch.

Frank Nitti, Capone's "enforcer," was convicted of income tax evasions, and was stuck in a cell at Fort Leavenworth.

Capone's blood-brother Ralph was sentenced to three years for the same offense as Nitti. He is out on bond, though, now—like Frankie Foster who was indicted for the Lingle murder.

Jack Gusik, another important member of the Capone organization, was also convicted of income tax frauds. Gusik operated some brothels and gambling houses of his own, with the crime king's permission. He paid heavy tribute, to Al, not to the income tax bureau.

Perhaps the government may lay hands on Capone himself, on the ground that his income tax records show grave errors.

A few weeks ago Capone's headquarters in Chicago, the Rex hotel, owned by Dennis Cooney, another public enemy—the manager of Al's brothels—was raided by government and municipal agents. The raiders found some papers in the safe that may implicate policemen and politicians as well as Capone and his cuthroats. They found $30,000 in cash, and took nineteen prisoners.

Depression Cuts in On His Business.

The Cooney resort had long been immune, though even the boys and girls in Chicago knew it was a den of vice. It is located at 22nd and State streets, just a block from the Four Deuces at 222 Wabash avenue, which was Capone's old hangout.

The records were given to the grand jury—and though the prisoners were all released by a judge, and the Rex bar opened up again—the grand jury may find in those records some evidence that will give the authorities another weapon against Capone.

Who are these authorities? United States Attorney George E. Q. Johnson is one. Others are State's Attorney John A. Swanson of Cook County; Pat Roche, his chief investigator; Charles F. Rathbun, appointed special assistant to Swanson; Chief Justice John P. McGoorty of the Criminal court; Municipal Judge John H. Lyle, who has become a popular choice for mayor because of his vagrancy warrants and his uncompr[illegible]g war on criminals; Frank J. Loesch, president of the Chicago Crime Commission, and Acting Commissioner of Police John H. Alcock. There is also against Capone, Col. Robert Isham Randolph, chairman of the Chicago Association of Commerce, and his organization, the "Secret Six Committee."

Nearly every speakeasy in the loop has been closed since Chicago took the aggressive, and nearly every speakeasy in the loop and other sections of Chicago is a Capone joint. When a place showed prosperity, Capone muscled in and declared himself a partner.

Handbooks are hard to find.

Most of the brothels have been closed.

And all handbooks and all brothels in and around Chicago bore, and bear, the label of Capone.

In addition to these troubles comes the news from Los Angeles that an effort of Capone's to buy 200,000 acres on the Pacific sea coast as a basis for the importing and peddling of booze, drugs, women and Chinese, has been checkmated by the police. They confiscated some machine gun parts and a number of bombs. They declared that Frankie Foster and Ralph Sheldon had tried to purchas[illegible]e land for Capone.

Foster, indicted for murder in connection with the slaying of Lingle, had no difficulty in getting out on bail. There was a time when murder wasn't a bailable offense in Chicago. But that was before Capone became mighty.

Capone's business suffered, even as many legitimate businesses, in the depression. A man doesn't buy so much booze when he isn't working as when he has a job.

The depression cut down Capone's revenues. But there was no shrinkage in overhead. He must still [illegible] out millions of dollars to polic[illegible]n, to judges, to killers, to spies [illegible] lawyers.

H[illegible] much money Capone still has is as perplexing a question as "how much longer will he get away with it?"

He will perhaps spend much money to keep out of jail. But money cannot square a contempt of court charge. That charge is two years old, but United States Attorney Johnson is still waiting to prosecute it. Two years ago Capone sent word from Miami that he was too ill to app[illegible]r before a federal grand jury [illegible] Chicago. Federal Judge Wilker[illegible] sent physicians to examine him. They pronounced him well eno[illegible] to stand the journey—and the [illegible]tation for contempt was issued.

When he appears [illegible] court he will find the police w[illegible]ng to arrest him on the vagranc[illegible] warrant issued by Judge Lyle w[illegible] gards the man as "a crime w[illegible] all by himself."

And it isn't any light [illegible]ter to be "Public Enemy No. 1[illegible]"

Frank Loesch, who las[illegible]tember branded twenty-eigh[illegible]llums as public enemies thus tells what has happened to them.

"Two were killed by murderers of their own kind," he says.

"Three are serving penitentiary sentences.

"Two have been sentenced to a federal prison.

"Three are in jail, two of them charged with murder.

"One is in a prison hospital, the victim of a fellow assassin.

"One has disappeared and is believed to have been murdered.

Eight of the Twenty-eight Are Fugitives.

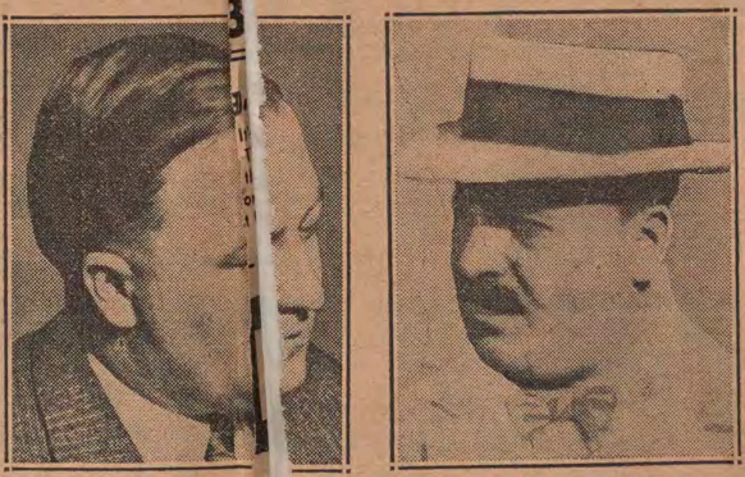
"One is about to be deported.

"Seven are awaiting trial, and are at large on bail.

"Eight, including Capone, are fugitives."

Al Capone is 32 or 33. He pronounces his name to rhyme with bone; though in Italy the final letter is sounded, making the third syllable. The name in Italian means capon.

He was born in Brooklyn. His father, a Neapolitan, was a barber. Al grew up with the Five Points gang in New York, and was something of a protege of Frankie Uale or Yale. He once washed dishes in Uale's restaurant. It is stated as fact by the police of Chicago and New York that Capone had Uale killed in a fight over control of the Chicago branch of the Unione Sicilione, which is not a patriotic organization but a band of alky cookers and murderers.



Once they ruled Chicag[illegible] th Capone—and now there's only Capone. Left, the late Dion [illegible]anion. Right, the late Jim Colosimo.

He went to Chicago because he thought he had killed a man. He took the name of Al Brown, and got a job killing wrong guys for Johnny Torrio, the chief killer for Jim Colosimo.

Colosimo owned a restaurant in the red-light district of Chicago. He was an intimate of the aldermen of his ward, Bath House John Coughlin and Hinky Dink Kenna. He was a panderer, a procurer, the owner of brothels, and the big shot in Chicago vice. He was also a mark for the Chicago Camorrists and Mafiosi, men from Sicily and the south of Italy who prey on their own kind — extortionists, Black Handers, dynamiters, carriers of sawed-off shotguns.

Torrio was a leader in the Five Points gang. Colosimo called on him for help. Torrio went to Chicago. He killed off some of Big Jim's enemies. Capone joined Torrio, and helped with the work.

Merely a Matter Of Elimination.

Torrio opened houses of prostitution in Burnham, a little town near the Indiana state line. Capone helped him to get girls, to cut down competition, to grease the itching palms of venal officials, and to get an adequate liquor supply.

Presently Colosimo was the big shot in Chicago, and Torrio owned Burnham. Presently Colosimo, Torrio, and Capone were in the liquor running business as well as in the business of pandering.

Presently Big Jim was too big. So he was eliminated.

Torrio and Capone were left.

Torrio and Capone and Dion O'Banion ruled all the rackets in Chicago after that—for a time.

But O'Banion couldn't stand his partners. "To hell with them Sicilians," he said. And the war was on.

O'Banion, who had killed twenty-five men with his own gun or the guns of his underlings, chased Torrio to Italy.

That left Capone and O'Banion.

Capone killed O'Banion, or had him killed.

That left Capone, and a few of O'Banion's friends — Bugs Moran, Hymie Weiss, Schemer Drucci, and the Aiellos.

O'Banion and his friends were

(Continued on next page.)

Over

CAPONE, KING OF CRIME

How Long Can Big Shot Get Away With It?

(Continued from preceding page)

hard men, and pitiless. They murdered as quickly and as brutally as the Capone mob. But they took chances on being killed.

Capone was subtle, treacherous. He never gave warning. He smiled.

The [illegible] Hymie Weiss, who fought Al Capone [illegible] machine gun.

He said, "I don't want no trouble," and some man died with his face to the wall.

Capone's enemies were buried.

That left Capone.

"Ninety-nine bottles, hanging on the wall.
Take one down—from them all.
Ninety-eight bottles hanging on the wall."

Capone, with his receding forehead, his prognathous jaw, his faun ears and his chill gray eyes, is the type criminologists have labeled "the killer."

Mrs. Eleanor Patterson, editor of the Washington Herald, in a story published two weeks ago, tells of the chill she felt in those eyes. They made her feel a trifle sick, but only for a moment, she said.

Mrs. Patterson happened to be passing Capone's house in Miami, saw the owner standing on the sidewalk and couldn't resist the temptation of talking to him. Al took her into the house, showed her all around, gave her a glass of lemonade and told her some of his troubles. He had wanted to turn square several times, he said, but people wouldn't let him. He wasn't getting a fair deal. Not at all. He had to go to Chicago, and if the authorities there didn't get him for one thing they would frame him for another.

Moved to Sympathy For Whining Al.

Did any one imagine Capone would cry for sympathy, would say that anything wasn't fair?

Mrs. Patterson paid particular attention to Capone's big hands, the strong muscular shoulders and arms that made his suit seem too tight, his heavy head and his "dime novel" eyes. She coined that expression, not I.

Mrs. Patterson, though once she was momentarily so frightened by the man that she wanted to jump up and run away, left feeling rather sympathetic toward Capone and wishing him good luck.

That isn't to be wondered at. Many women are attracted to the gangster type—for today they are the only men to take the places of the old swashbuckling gallants we used to read about—knightly bandits whose swords were always at the service of fair women, gentlemen who spoke of their duelling pistols as they did of their mistresses, the wild untamed adventurers of life who gave a prosaic world its only touch of romance.

Men who will kill other men—especially men who kill for a woman—have always attracted women, even against their will.

The days of swords and dueling pistols have gone. The average man is wrapped in his business and seeks no fights for honor or for love. There are left to the romantic imagination only the beer and booze running gentry and the hijackers, men who make their own laws and carry them out, men who carry machine guns instead of swords or pistols, men who shoot to kill—even though they shoot in the back.

Did Capone Betray Lingle's Murderer?

These killers, whelped by the Volstead law and the eighteenth amendment, usually have pockets stuffed with bills of high denominations. They wear silk next to their bodies. Their clothes are tailor made. Their fingers and their ties and the stiff bosoms of their evening shirts are lit with diamonds. And they spend their money more freely than any landsick sailor newly come to port.

Judge James H. Wilkerson

Perhaps they know little of women when they first start on the road. But they learn. Ah, yes, they learn. And usually they die before they have learned too much.

It is hard for a man to think of the American gunman as a figure of romance. But it is not so hard for a woman—especially the woman who has met many business men.

Perhaps to many women Capone is the essence of romance.

Perhaps not. Who am I to say?

Certainly if there is no romance in him, from the male viewpoint, there is at least drama in his rise; and in his coming fall; in his moan for sympathy; in his wish to turn square guy after so many murders; in his wish to get into the good graces of those who seek to prosecute him—the drama that lies in the collapse of the mighty.

It is said to be Capone who gave Pat Roche the tip that Leo Brothers was the man who killed Al Lingle; and Capone who turned him up to the police.

Would such a man as Capone squeal, you may ask?

Many a bigger man has squealed to save himself. Capone knows that he is in jeopardy. He knows that he can't get away with it much longer. Why wouldn't he squeal?

"One big bottle, hanging on the wall—"

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Read the next story in this stirring series on Al Capone in The News tomorrow.

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CAPONE

The Lone Gorilla of Gangland Whines on His Tottering Throne As He Sees Writing on the Wall

By EDWARD DOHERTY

FOR ten years and more Alphonse Capone, Scarface Al, has been building up his kingdom of crime.

For ten years he has been fortifying himself against the day of wrath. He has built well. He has amassed millions and millions of dollars. He has entrenched himself politically. He has powerful friends in high places. He has an army of men who will kill any one at his nod.

He has reached his goal. He is the king of crime.

And the day of wrath has arrived, and the king turns uneasily on his throne and sees the writing on the wall, and whines.

He built his kingdom on the bodies of women and the lusts and the blood of men. He built it with brothels, with crooked gambling devices, with cut booze and young beer, with machine guns and armored cars. He built it with gunmen and crooked policemen and judges and shady lawyers and politicians. Incidentally, you and I and every man and woman who drinks, helped him to build it.

And now that he shows weakness, now that his troubles are multiplied, now that his throne shakes, we ask, "How much longer can he get away with it?"—and grudge him none of his fate.

It Is Pronounced Ca-pone

Scarface Al pronounces his own name Ca-pone. Pone, to rhyme with bone. There's no final "e" in it.

Like Job of Uz, Capone has become a song and a byword and a thing of horror, and his enemies "spare not to spit at the sight" of him.

Something new has happened in the land.

"The Boss of Chicago's Red Decade."

A little while ago Capone was doing a hundred million dollar business a year. His friends were legion. His name was famous rather than infamous and the "best people" were not averse to saying, "Sure, I know Al; he's a grand fellow." His power was unlimited. He could kill and get away with it.

He was the boss of Chicago's Red Decade.

The story of his rise is a ridiculous and ghastly one, the story of a nation's shame, a humpty-dumpty story with neither moral nor morals.

For years the people of the United States watched him build- up his kingdom and did noth- g to hinder him. His name has nt the stuttering of mach'ne [illegible] throug e L s filled with murderers sho at policemen), bodies found on ewalks, in apartment courts, in ches, in the drainage canal. His me has meant trucks and trains eer and booze rumbling into ago and out of it. It has t graft, corruption, fear. But ing was done about it.

erhaps there was something matic in the spectacle of this man pitted against all the ers in the jungles of gangland, s lone gorilla emerging out of e jungles, bloody and triumphant and smiling, to march on the cities of law-abiding people.

Perhaps there was something that appealed to the popular sympathy in the thought that here was a boy who had come to Chicago and "made good," a tough man who survived in a tough town, a man big enough to defy the whole United States and get away with it, a man rich enough to buy up all the law-enforcement machinery of big cities, a man who had made hundreds of millions of dollars out of his business.

What if that business meant prostitution and white slavery, gambling, rackets, booze-running and murder? What if it meant that every unfortunate woman in Chicago—and other cities—was forced to pay tribute to Al Capone? What if it also meant that many men paid tribute likewise, every man who drank, who gambled, who belonged to the unions that Al controlled?

Capone was smart. Capone was a winner. Capone was a self-made king. More power to him, men said, and let's have another little drink!

Yes, a little while ago, Capone could get away with anything.

But the story of his rise is nearing its end; and the vision of Capone as a good-natured tyrant who killed merely to hold his own is fading fast.

It is not strange. It is the history of conquerors and kings.

Nor is it strange that a kingdom founded on murder should begin to disintegrate because of a murder. The bullet-shattered bodies of enemy gangsters built Capone's throne. The body of Jake Lingle, a newspaper reporter, made it totter.

From King to "Public Enemy No. 1."

It m[illegible]kes no diff[illegible]her [illegible] was crooked or straight, [illegible] he was Capone's friend or not. His death shook the imagination of the world. It made the world wonder about Chicago, and Capone. It led to concerted action against Capone and others of his kind.

Over night men began to ask themselves how long this man would get away with it? Over night men began to say that Capone must be put away somehow, that the Red Decade must end at once.

A new decade is in the making.

Capone is due to appear in Chicago soon to answer to a charge of vagrancy and a charge of contempt of the federal court. It is the beginning of his ruin.

It is possible that his staff of lawyers may free him from the pitfalls of the courts, and preserve him for a while to amass more money and kill more men. He pays his lawyers plenty for their work. He is a fool with money.

But, even so, Chicago has turned against him at last, and if some gun-guy doesn't kill him, Chicago will find a way of ending his career.

Capone is still rich, still powerful, still deadly venomous. But Chicago has wakened from its long apathy, and no longer sees in Capone a figure of romance and might.

He is now "Public Enemy No. 1," a dangerous, bloodthirsty ruffian, who must be "put away."

Even the story that he won his scar in the war ha been exploded. He was marked with that scar for treachery. It is the "sfregio" of the Camorrists of Naples, the razor cut inflicted on all Camorrists guilty of some slight offense against their kind.

He did not learn the use of the machine gun in France. He learned its value when Hymie Weiss came into his Cicero territory and sprayed the buildings with lead; he learned its deadly qualities while skulking in safety behind the bullet-proof shutters in the Hawthorne hotel.

Capone himself has felt the turn in public sentiment, and, like Job, he bemoans his fate and calls his friends to condole with him.

Capone has never been gentle and meek and God-fearing, as was Job of Uz. He has ever been arrogant, haughty, quick-tempered, ruthless. He gave his enemies no chance. He put them on the spot, took them for rides, found them when they were helpless and put them quickly to death.

Capone swears he did not kill Lingle, nor order his death. The Chicago police believe that Lingle was killed because he was Capone's friend. It isn't important that Capone be thought guilty or innocent of the murder. Directly or indirectly, he made life cheap in Chicago—and Detroit and New York, for that matter.

When Lingle died, Capone's power began to wane. Al was proclaimed No. 1 of a list of 28 public enemies, and ordered arrested on a charge of vagrancy. The Chicago police made no attempt to serve the warrant, though they had ample opportunity. They'll serve it soon if Capone appears in court. They'd serve it tomorrow if Federal Judge Wilkerson weren't sick.

Capone's popularity began to wane after he returned to Chicago, following his release from the Pennsylvania jail. He had served a year for carrying a gun. But though the warden did everything but kiss him good-by and weep when the year was over, Al's home town would have none of him. Al went to Miami. Gov. Doyle E. Carlton ordered every sheriff in the state to arrest him on sight. He was arrested. He was released. State's Attorney Vernon Hawthorne of Miami called him a rattlesnake, and tried to padlock the palatial home he had bought. The place was not padlocked. Capone spent money freely and aped the rich.

He was unpopular, but powerful, until the Lingle shooting.

Chicago, awakened from its apathy, saw Capone as he was, and vowed to get rid of him and all he stood for.

Capone places were kicked over. Capone stills were smashed. Capone gambling joints were closed. Capone's pet brothel, the Stockade, was burned to the ground after its inmates had been scattered. Capone's friends and lieutenants were hunted and jailed. Capone's paid city policemen were transferred and disgraced.

George Barker, who had obtained his release from the Joliet penitentiary, was returned to serve out his sentence.

James Fur Sammons, a Capone henchman known as "a man who loves to kill people," was put back in the pen to serve thirty years more. He had been sentenced to be hanged, but this sentence was commuted to life im-

Take the clothes off the lone gorilla of gangland, shown on the right, and you behold nothing but a fat man in a ba ing suit, pictured on the left. They're both Al Capone, at Miami and in Chicago.

These were found loose
on page 103 of album1931

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til Sept. 18, 1929.

Herdegen was appointed to the police department on April 16, 1919. He was made a sergeant on Dec. 31, 1928, by former Commissioner Russell, at a time when 25 patrolmen were promoted. In the civil service examination Herdegen was ranked in the 60s. Thomas J. Houston was then head of the civil service board.

Miss Shaw told of holding a joint bank account with Herdegen that at one time reached $16,000. She said that he made her many gifts of jewels and took her on trips to Canada, California, and New York. They lived in elaborately furnished apartments and hotel rooms, she said.

Says She Got the $1,500.

"Herdegen told me he was collector for the Warren avenue and Damen avenue stations," Miss Shaw said. "Late in 1928 he told me that he wanted a promotion, but was low on the list. I got $1,500 from Jack Zuta to pay for his promotion.

"I gave the money to Herdegen and went with him to the offices of the

(Continued on page 18, column 1.)

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Ira L. O'Hara, Patrick J. Owen Small, and Louis Starr, were the men whose immediate suspension from the police department was asked by the special grand jury. Sergt. Ahern would not say where the last five policemen had been accused by the saloonkeepers and gamblers.

Alcock's Reply to Jury.

Alcock had publicly stated that he would act when he received the formal request of the grand jury. It was transmitted to him yesterday by Assistant State's Attorney Charles J. Mueller, who is in charge of the police investigation. Alcock replied as follows:

"Their refusal to sign an immunity waiser is a constitutional privilege and right and cannot be lightly interfered with. While I desire to cooperate with the special grand jury, the regular grand jury, and the state's attorney's office, I must insist upon my right to exercise proper discretion in handling the police department so as not to break down the morale of the department.

"If these officers are indicted I will follow the usual practice in this department of suspending them at once for the period of time permitted by law, viz., 29 days."

Cites Charges of Graft.

Prosecutor Mueller's answer to Alcock's refusal to comply with the jury request said:

"It is quite evident that you assume this request was predicated on the fact said police officers refused to sign immunity waivers. May I inform you the request for suspension is based upon sworn evidence presented to the special grand jury to the effect that said officers were collecting graft for the protection of unlawful enterprises, as set forth in the first paragraph of my letter of the 18th? A transcript of this testimony has been ordered for your perusal."

Commissioner Alcock is expected to reply to Mueller today.

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ington that Oliver's liability was greatly exaggerated at the trial.

Refers to Compromise Offer.

"The court cannot disguise its disappointment at the turn affairs took in Washington," he said. "Instead of reviewing the documentary evidence the defendant offered a compromise of his civil liability, thus tacitly conceding the correctness of the conclusion of this court."

Oliver's civil liability, including taxes, interests, and penalties, is allegedly $108,000, while at the trial it was contended that he tried to evade payment of $86,000 on an income of some $500,000 for three years. His offer in compromise, recently made in Washington, was for $10,000.

"Besides the hearings had in open court," said Judge Woodward, "the presiding judge has received letters; has been privately solicited by prominent and influential citizens, some prominent in official circles and many of them high in the councils of their political parties; has been besieged in his home, on the streets, and in his chambers, all suggesting, recommending and urging that probation be accorded the defendant.

"Defendants must learn that they are not advancing favorably an application for a judicial ruling by inducing their friends, however exalted their political, business, financial or social position may be, to whisper into the judicial ear in private."

Oliver's fine was reduced from $12,500 to $7,500 and an appeal was permitted.

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CHICAGO ILL TRIBUNE
THURSDAY, DECEMBER 17, 1931.

FLASHING LIGHT FOILS BREAK OF U. S. PRISONERS

John Dziedzic, 21 years old, a clerk in District Attorney George E. Q. Johnson's office in the east wing of the federal building, wondered yesterday what made a bright light flash in his eyes at regular intervals. Glancing out, Dziedzic's eyes fell upon a saw going back and forth across a bar in one of the windows of the marshal's lockup in the north wing of the building.

Dziedzic called Deputy Marshal Joseph O'Neill, and the two men went to the lockup. They heard a rasping sound within the quarters, where twelve federal prisoners were housed. When O'Neill opened the door, the rasping ceased, but a new steel cutting saw, 9 inches long, lay at the feet of two prisoners standing together at the window.

Both prisoners are charged with attempted jailbreak, a federal offense which carries a maximum sentence of five years in the penitentiary. The men are Frank Dakowski, 19 years old, 2545 Iowa street, awaiting arraignment on a charge of mail robbery, and James Keller, 27 years old, 2300 South Michigan avenue, who was awaiting removal to the Leavenworth penitentiary to serve a five year sentence for violation of the federal anti-narcotic laws.

ILL DAILY NEWS
SEPTEMBER 26, 1931.

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U. S. SCANS $7

DRUGGAN STORY OF 'FIX' OFFER IS DISCOUNTED

Capone Hand Seen in Scheme to Hamper Attack on Hoodlums.

LAWYER IS INVOLVED

Connivance of Terry Druggan, Frankie Lake, "Scarface Al" Capone and others was suspected today of being at the bottom of a secret investigation by Washington officials of a $75,000 bribe plot scheme apparently designed to hamper District Attorney George E. Q. Johnson's war on Chicago's underworld chieftains.

That such an investigation has been under way for some time by Attorney-General William D. Mitchell became known on the heels of the refusal yesterday of the United States Circuit Court of Appeals to grant a rehearing to Ralph Capone, brother of Al. Ralph is under sentence of three years and a $10,000 fine for income-tax evasions. Druggan and Lake, after their indictment, entered conditional pleas of guilty, pending the disposition of Ralph Capone's case.

Investigation Under Way.

Investigators from Washington have been in Chicago for several days, it was revealed. It was reported that they had already taken statements from Mr. Johnson, Mrs. Myrtle Tanner Blacklidge, former collector of internal revenue, and many others.

[illegible]embers of Mr. Johnson's office [illegible]xpressed the belief that a con- [illegible] had been scotched, adding [illegible]ad apparently been planned [illegible]ruggan or Lake take the [illegible] they had paid a bribe [illegible]de penitentiary sen- [illegible]come tax evasion [illegible]against both.

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GANG SCHEME IN BRIBE PLOT SCANNED BY U. S.

(Continued from First Page.)

the informant said, who he was led to believe would be able to make the necessary arrangements.

Following this, the lawyer told Druggan that the hoodlum would escape a jail sentence and pay $150,000 civil liability to the government and fine of $5,000 on the criminal charge. The lawyer's fee was $75,000, payable in cash, the informant said. The informant accused nobody, but left an innuendo of graft, it was reported.

As time went on with no favorable action in their case, Druggan became irritated about his $75,000, the informer said. He went to Capone and suggested that everybody take the witness stand in court and reveal the reputed deal.

"Scarface Al" was not disposed to do this, according to the informant, but offered to lend Druggan a "few of his boys" who might "persuade" the lawyer to testify that a bribe had been paid.

While investigating the tale, federal officers recalled that Druggan had [illegible] a similar method in 1925 when he testified against Sheriff Peter M. Hoffman and Wesley H. Westbrook, then warden of the county jail.

Tells of Jail Bribe.

Druggan was indicted for conspiracy when it was revealed that he was not spending all his time in the county jail, to which he had been committed for contempt of court. He testified that he bribed jail authorities to let him out evenings.

In the income tax cases in which he faces prosecution, government records show that Druggan owes taxes and penalties of more than $304,000. Lake, his partner in the beer racket, owes in excess of $200,000.

Michael J. Ahern, one of Al Capone's lawyers in the income tax case, scoffed at the implication that Capone would benefit by graft charges.

Ralph Capone Appeals.

Ralph Capone, it was pointed out today, may have the dubious distinction of being the first actual hoodlum to take his case to the highest tribunal in the United States.

Attorney George N. Murdock announced, following the refusal of [illegible] Appeals to give Ca[illegible]

The presentment of charges against Paschen would be in line with Mr. Johnson's desire, announced early in his first term, to expose what he called a cross section of "official gangsterism."

Reaching Into City Hall.

In fulfilling this desire, Mr. Johnson has procured the indictment of several contractors on income tax charges that are based on alleged corruption in the sanitary district. In the county building, the government has convicted County Assessor Gene Oliver who is now on the point of being sent to federal prison. The state legislature was represented in the conviction of State Senator Lawrence C. O'Brien. In presenting charges against Paschen, Mr. Johnson is reaching into the city hall.

Neither the district attorney nor his battery of prosecutors and agents of the revenue department who attended yesterday's hearing on the Paschen case would make any comment. It was learned, however, that Paschen, who did not appear, was represented by four attorneys: Harry Olson, former chief justice of the Municipal court; James A. O'Callaghan, income tax expert of the firm of Litsinger, Healy & Reid; W. W. Burns, and Arthur Reibert. Mr. Reibert is an income tax expert from Washington, D. C.

Hearings in Washington.

Paschen had been given hearings before the general counsel of the revenue bureau at Washington and his attorneys made a vigorous fight, according to reports, to convince the officials that he is not criminally liable. [illegible]is pressure, it is reported has been [illegible]et with equal determination on the part of the United States attorney's office.

The years for which Paschen's income taxes are said to be disputed are 1927 and 1928 and he is reported to have received an income of more than half a million dollars for those years. During those years, as now, he was Thompson's building commissioner. The government contends that he owes more than $100,000 in taxes, according to reports.

Bribery Charges Made.

Thompson's building commissioner has previously been under fire in various official proceedings. In a civil suit last April charges that bribes were solicited and paid in his office were made by Jules K. Masse, a draftsman. Masse testified that $50,000 had to his knowledge been paid to the commissioner's office for approval of building plans.

William Nichols was named as the go-between for Paschen's office by Masse. Nichols, a salesman, was the alleged tax fixer for Gene Oliver, and $42,000 worth of "tax adjusting" checks were made out in his name.

In Cuneo Tower Enterprise.

Paschen balked first at a mandate and then at an ordinance of the city council ordering him to revoke a permit for the proposed 60 story Cuneo tower. He demurred even after his duty was stated by the corporation

(Continued on page 8, column 4.)

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Lake, who lately has been in the ice business in Detroit. In the corridor he met Prohibition Agent Brice Armstrong. Armstrong some years ago raided a Druggan-Lake brewery against which an injunction had been issued and found the brewery was turning out "good" beer. The raid resulted in contempt sentences for Druggan and Lake and the first of their battles with the government.

Armstrong and Lake greeted each other genially and shook hands.

Call Charge Ridiculous.

Lake was arrested by Sergts. Joseph Haksa and Edward Tyrell of the detective bureau on the vagrancy charge. He was taken through the bureau of identification and later was to be questioned by Lieut. Walter Storms. He asserted the vagrancy charge was "ridiculous."

"Why, I'm in the ice business in Detroit," he said. "I just came down to Chicago to settle that case in the federal building."

He was to be kept in custody until booked on the charge and a $10,000 bond scheduled for his release.

Al Capone Action Delayed.

The contempt case against "Scarface Al" Capone, jailbird and brothelkeeper, came up on call today, but Mr. Grossman explained to Judge Evans that owing to a telephone rate case set for [illegible]. 29 and another civil suit Judge [illegible]erson will not be able to hear it [illegible]e time, probably three weeks, [illegible]t Capone and his lawyer w[illegible]ified when the case is due o[illegible] Capone was not in court as a [illegible] of an agreement made last wee[illegible]en Judge Wilkerson found he [illegible] not try the case at once.

Harry ("Greasy Thumb") Guzik appeared before Judge Francis Borrelli today on a public enemy vagrancy charge. The case against the loop collector for the Capone-Guzik-Fusco beer syndicate was put over until Feb. 27, when Assistant State's Attorney James Brown said the case was scheduled for a jury trial on that date.

Lake's plea of guilty leaves the income tax calendar free of all gangsters except Sam Guzik, a brother of Jake and Harry. The government has been investigating Al Capone's income, but no indictment has been returned. Ralph Capone and Jake Guzik have been found guilty, Frank Nitti pleaded guilty and is now in Leavenworth, and Druggan and Lake, with pleas of guilty entered, are awaiting sentence.

A plea for probation for State Representative O'Brien also was on call, but it was continued to Feb. 23.

BRONCHI-LYPTUS STOPS COUGHS when others fail. It's pleasant. No narcotics. At all druggists, 25c—Adv.

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First Assistant United States Attorney Cassius Poust cited the court's opinion in which it was declared this defense contention was so improbable as to be unworthy of credence.

Poust assailed Oliver as "a faithless public official who violated not only the laws of his state and the trust of the public, but cheated his government."

"If this man is given probation what will happen in other cases now under investigation and under indictment?" he asked. "Capone and Guzik and Nitti have been sentenced here for the same violation. They are hoodlums and criminals, but they were not charged with a public trust. They are far more entitled to probation than this wolf who has gone after the flock of taxpayers."

Suggests an Alternative.

At this point Judge Woodward asked whether there isn't "something worse than imprisonment," and Poust said no.

"Suppose I order his immediate resignation and declare him incapable of holding office for five years?" said the court. "Wouldn't that serve as a detriment? What could be a greater disgrace to a politician?"

"As for keeping him out of office," said the prosecutor, "the people will take care of that at the next election, and as for serving the interests of the public, nothing takes the place of going behind the bars.

"I have been a public official for twenty years and I know that at this time all office holders are suspected of being crooks. If this man is given probation under the terms you have mentioned, a large part of the public would say the case was fixed."

"Suppose they do say it was fixed and it was right nevertheless, what difference would it make?" asked Judge Woodward.

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ating in these
o this last is that
competitions which have
bbed wars were exclusively
afternoon newspapers. They
o in number—one in the late
and the other in the early
nineteen hundreds. THE CHICAGO TRIBUNE was not engaged in either as principal or ally.

"It is my opinion that if there is any connection between the murderers of today and the murderers of a previous time it is that the former have eliminated the latter.

Began in Sicilian Neighborhoods.

"The assassinations which have made Chicago notorious began in the Sicilian settlements. The victims were Sicilians; the motives presumed to be blackmail. Pistols or shotguns would roar on some crowded street of Little Hell, as the neighborhood was called. The police arriving on the scene would find a murdered body and no witnesses would admit knowledge of the killing. Subsequent murders were imagined to be in revenge and blood feuds among the immigrants were continuous. For a number of years these assassinations were confined to the Sicilian quarter and to a people utterly unknown to the rest of the citizenship.

"Several years ago, realizing that a nest of lawlessness among the foreign criminals was growing in our community, I went to Washington and personally asked President Coolidge to instruct the agents of the federal government to deport the alien criminals. He gave the necessary orders, but the United States government moves slowly, and it is only in recent months that progress has been made in this direction.

The Colosimo Murder.

"The first murder that occurs to me of an individual known beyond the Sicilian underworld was that of Jim Colosimo. Colosimo operated a restaurant and cabaret. The restaurant was said to be well conducted and the entertainment, I am told, was of high class. The chief entertainer, under the name of Dale Winter, an American girl, for some time enjoyed a success on the stage as well as in the cabarets When Colosimo was divorced from his wife and shortly after married Dale Winter the event was widely reported, and when shortly afterwards Colosimo was assassinated in his restaurant and when the new wife, in a panic, renounced all claim to his estate in favor of the divorced wife, the matter was set down as one more revenge of Sicily.

"Another series of murders to attract more than passing attention were those of Dean O'Banion, Big Tim Murphy, Diamond Joe Esposito, 'Red' McLaughlin, and the victims of the Valentine day massacre, including James Clark and Dr. R. H. Schwimmer.

O'Banion, then "Hymie" Weiss.

"O'Banion was considered a hard character, and great surprise was expressed when he entered into partnership with William Schofield, a florist of good reputation, with a shop on State street, near Superior street, opposite the Roman Catholic cathedral. O'Banion was killed in the shop, and afterwards machine guns mounted in the second story window of an apartment house next door, trained down upon the street in front, focused on an automobile that drew up before the shop and killed his lieutenant, "Hymie" Weiss. Bullet marks were made upon the stones of the cathedral.

"By this time gang murders had become celebrated, and whether more numerous than before or not, they began to attract first the attention of the city and afterwards the entire world.

"On April 27, 1926, an assistant state's attorney named McSwiggan was killed by machine gun fire in one suburb. On Jan. 6, 1927, the home of Ald. Thomas Wallace, one of the best men in the city council, was bombed.

928, on the eve of the county elec-
the homes of Senator Charles S.
D een and John Swanson, candidate for state's attorney, were dynamited. On Feb. 2, 1930, Julius Rosenheim, an employé of the Chicago Daily News, was killed within a block of his home.

Reporter Lingle Killed.

"On June 9, 1930, Alfred Lingle, a police reporter of THE CHICAGO TRIBUNE, was shot and killed in the subway under Michigan avenue while on his way to the horse races, and on the same day Leland Reese, reporter of the Chicago Daily News, sought protection and was brought back from the race track in a police automobile.

"Until the assassination of Lingle our activities had been confined to the customary newspaper routine, the publication of the most accurate information obtainable, which was very little, and editorials calling upon the authorities to destroy the growing army of criminals before they destroyed the city. The assassination of a member of THE TRIBUNE staff laid before us the question whether to accept the situation supinely and by our timidity to invite further assassination or threats of assassination, or to take up the challenge of gangland, thus hurled at our feet. The question was only new as to size.

"THE TRIBUNE has always prosecuted attacks on its employés and its property. The year before, after a six months' search, THE TRIBUNE, with the aid of the police, had tracked down and sent to the penitentiary for fifty years a man who had criminally assaulted one of its subscribers. In the present instance, opposed as we obviously were by organized crime, with its terrorist methods and ramifications, which at that time were unknown to us, a greater degree of organization was necessary. State's Attorney Swanson was asked to appoint a very experienced lawyer to investigate this case and to assign his pr
cipal investigator to work with

Given Loyal Coöperation.

"In Chicago there is no organization of crime abating authorities. The coroner, the chief of police, the state's attorney, and the sheriff are all independent of each other, nor is there any connection between them and the courts and the pardon and parole power, such as is found in the federal government.

"I am glad to report that all these unrelated officers have lent loyal coöperation. The first evidence was uncovered by Coroner Bundesen. Chief of Police Alcock arrested the murderer Stanton, who is about to be tried in Wisconsin for the assassination of Jack Zuta, a murder like that of Julius Rosenheim, apparently connected with the Lingle murder.

"The present parole board, acting under the advice of Attorney General Carlstrom, reincarcerated two serious criminals found at large and who were combating the investigation, while State's Attorney Swanson has been the pillar in this investigation in the face of savage attacks from quarters where he should have expected whole hearted support.

Federal Officials Take Hand.

"By happy coincidence the investigations of the United States district attorney, ~~George E. Q. Johnson~~, into the income tax frauds of the professional criminals reached the stage of prosecution at this time and the conviction by him of outstanding gangsters not only removed them from activity but contributed its full share to the breakdown of the supremacy of gangland.

"It was Judge Lyle, sitting in the Felony court of Chicago, who introduced a new chapter into our criminal history by treating the principal scoundrels, burglars and murderers as the felons they are, without the deference to which they had been accustomed from other judges. Judge Lyle's conduct appeared the more sensational in that it stood out in such violent contrast to a number of other judges whose courts were mere rat holes for the escape of criminals, while his construction of the law coincided more with the decision of the courts in those states where crime is under control than in others where criminal lawyers and lawyer criminals have been active in the legislature and in judicial conventions.

"It is only just, also, to give credit to the untiring efforts of the Chicago crime commission and to the investigations of regular and special grand juries which, if they have not accomplished any striking successes, have continuously sapped the base of the criminal structure. Indeed, I attribute as much credit to the weakening of the whole structure of organized crime by these many contributors as to the immediate investigators that a gangland murderer has been detected and arrested for the first time in Chicago or for the first time in the United States.

"The progress that has been made in six months is just this—that where six months ago resistance to crime in Chicago appeared hopeless, we now know that a vigorous and relentless investigation will apprehend the guilty.

"Business organizations, please take notice. The practice on the part of business houses, which is now universal, of confining their self-protection to burglary insurance, and the practice of insurance companies of placing rates high enough to cover their losses, without the effort on either part to catch the criminals, must give way to liberal appropriations for detection. These appropriations in turn will bring down our burglary insurance rates, which are now a serious tax upon business.

Exposé Must Be Wider.

"The valuable work of the Chicago crime commission in disclosing the identity of the public enemies and of those judges who by the acceptance of fake bonds and other subterfuges have facilitated the escape of criminals must be extended to identify individuals and organizations who while ostensibly members of our civilized society are benefiting directly or indirectly from underworld activities.

"It has been said with considerable justice that Chicago, as the transportation center of the continent, the principal market of America, must inevitably be the center of criminal activity and the central market of stolen goods. On the other hand, we cannot escape the fact that unless the legitimate market can destroy the criminal market, in its turn it will be destroyed by the criminal market. The problem is more serious than one of mere reputation. It is a problem of economic existence and life itself."

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These were found in an envelope
at the back of album 1931

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res department, and Ma Edelstein, former real estate dealer for the district. Thomas Connelly, the former purchasing agent, has been a fugitive for three years.

Attorney Frank J. Loesch, president of the Chicago Crime commission, started the investigation when he was appointed a special prosecutor to investigate the alliance of crime and politics in the fall of 1928.

Later the inquiry was taken over by State's Attorney Swanson when he assumed office in Dec., 1928. He obtained Northrup, who was then first assistant U. S. district attorney under George E. Q. Johnson, to direct the investigation. The new prosecutor developed the charges of pay roll padding and alleged graft in contracts and obtained a new set of indictments.

The indictments gathered dust in the Criminal court clerk's office for nearly a year. Then Judge Charles A. Williams was designated as the trial judge and after a bitter clash with the prosecutor the case was sent back to the chief justice for reassignment.

After several more months of dispute the case was assigned to Judge Joseph B. David. He spent several months listening to a motion to quash the indictments. He quashed three of the nine counts and the state dismissed the old indictment and returned a new document.

The case was finally taken away from Judge David by a change of venue. Chief Justice Fisher announced he would try it himself. This precipitated another clash with the prosecutor, who threatened to resign. Judge Fisher called in Judges Prystalski and Kelly to sit with him during the new arguments on legal motions. The judges quashed seven of the ten counts in the new indictment.

The state is left with three counts charging pay roll padding, a general count of obtaining money under false pretenses and a general count of graft in contracts.

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CHICAGO ILL AMERICAN
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CHICAGO ILL HER & EXAM
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CHICAGO ILL HER & EXAM
TUESDAY, DECEMBER 8, 1931

RITCHIE WINS CITY LEADERS; BOOM STARTS

Trade Board Gives Luncheon; Meets Elite in Field Home; G.O.P. Applauds; Wets Cheer

By John W. Dienhart.

In a day full of activity, Governor Ritchie of Maryland unquestionably won many Chicago supporters yesterday in his bid for the Democratic presidential nomination next year.

At the Board of Trade before noon, he received a rousing reception and a new campaign slogan, "Get rich with Ritchie."

Approximately 150 leaders in finance, industry, commerce and civic affairs hailed him at a luncheon given in the Chicago Club by George F. Getz.

In the afternoon and last night he met the elite of Chicago at the apartment of Mrs. Stanley Field, 1550 N. State parkway, and at the Casino Club.

He will meet and address at noon today the Democratic organization of the city and county, which will have a strong influence in determining who the nominee shall be, and tonight he will address 1,500 members of the Illinois Manufacturers Association at their annual banquet in the Stevens Hotel.

Aside from the enthusiastic demonstration for him at the Board of Trade, which is regarded as being Republican normally, the Getz luncheon was interpreted as indicating the governor's popularity here and the trend of sentiment toward the Democratic party in the forthcoming national political contest.

G. O. P. LEADERS FRIENDLY.

Comprising many of the most influential men in the city, the group was preponderantly Republican in its political affiliation. Such Republican leaders as Roy O. West, national committeeman; Lieut. Governor Fred E. Sterling, former Attorney General Edward J. Brundage, State's Attorney John A. Swanson and United States Attorney George E. Q. Johnson were present and they, too, displayed a friendly attitude toward him and applauded his remarks.

The liberals liked his statement that prohibition "after eleven years' trial" does not prohibit, has not promoted the cause of temperance, has not improved public morals and "the country seems to lack nerve enough to say so."

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Constitution
Atlanta, Ga.
Dec 18, 1931

PROBE CUTS STREAM OF CAPONE VISITORS

Rumored Special Liberties Investigated by Order of U. S. Authorities.

CHICAGO, Dec. 17.—(AP)—The stream of visitors to the county jail cell of Alphonse Capone was cut off sharply by the United States government today.

After an investigation of reports that the gang czar was still directing operations of his syndicate, it was announced that there was no evidence that he was being accorded special treatment at the jail. The United States marshal's office, however, issued an order directing the warden to admit to Capone's cell only his immediate family, his attorneys and any others given passes by the marshal.

It was explained that the marshal would examine carefully all persons applying for permission to see the gangster as he awaits the appeal on his conviction as an income tax dodger.

Investigation by government agents was started after Federal Judge James H. Wilkerson, who sentenced Capone to 11 years, and United States District Attorney George E. Q. Johnson, who headed the prosecution, both received anonymous communications stating that Capone was receiving telephone, telegraph and messenger service enabling him to control his gang as well as if he were outside the jail.

Both District Attorney Johnson and officials of the department of justice in Washington said the charges "could not be substantiated."

CRIMINALS PREY ON GOVERNMENTS, JOHNSON SAYS

Speaking last night before the National Institute on Mercenary Crime at the Congress hotel, United States District Attorney George E. Q. Johnson asserted that the most serious form of illegal money making was committed against governments.

He quoted figures to show that on one public contract investigated by the federal grand jury $811,000 had been expended and that the profit was $352,000. Another example was a profit of $595,000 on a $730,000 contract. As a remedial step Mr. Johnson urged the passage of a state law requiring that all companies doing public work submit their books to a commission for audit.

According to the district attorney, mercenary crime had a large growth after the war.

CHICAGO ILL POST
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L TRIBUNE
EMBER 7, 1931.

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CHICAGO ILL POST
MONDAY, DECEMBER 7, 1931.

BLAME LAWYERS FOR FAILURE IN FIGHTING CRIME

Frank J. Loesch Tells Convention Profession Is at Fault.

Lawyers of the United States are responsible for the failure to furnish successful methods of halting crime, Frank J. Loesch, head of the Chicago Crime commission and himself a lawyer, told the members of the National Institute of Mercenary Crime today as the institute opened a two-day convention at the Congress hotel.

The institute was created recently and is endeavoring to find what conditions of modern society lead to crime as a means of livelihood.

Mr. Loesch spoke of the pioneer efforts of the Chicago Crime commission and the exhaustive surveys of crime conditions completed throughout the country by judges and crime authorities which have resulted in the proposals of remedial laws.

"State legislatures have consistently refused to pass those laws," he said. "When it is realized that a large majority of the members of each house of the state legislature are lawyers, it will be seen that the lawyers as a class cannot escape the charge of failing to provide effective measures against crime."

Defines the Term.

Earnest D. MacLougall, president of the institute, has explained that "mercenary crime" is an expression used to refer to such crimes as are committed for pecuniary profit. The institute will endeavor to determine why crime pays, if it does, and how it may be possible to take the profit out of crime.

Social implications of mercenary crime were to be discussed this afternoon by Andrew A. Bruce, professor of law, Northwestern university. General discussion on this question was to be led by Wilfred S. Reynolds, director of the Chicago Council of Social Agencies. "The Spiritual Factors in the Prevention of Mercenary Crime" will be spoken of by Dean Frederick J. Siedenburg of Loyola university, with the resultant discussion in charge of Dr. Charles C. Smith, president of the Neighbor guild of Chicago.

"Racketeering" will be explained by Gordon L. Hostettor, executive director of the Employers' Association of Chicago, as the concluding subject on the Monday afternoon program.

Johnson to Speak.

Speakers at the banquet to be held tonight include George E. Q. Johnson, who will talk on "Politics and Mercenary ~~Crime," and Dr. Louis L. Mann,~~ whose subject will be "Religion and Mercenary Crime."

The duty of schools in educating against mercenary crime will be delved into by Dr. Walter P. Morgan, president of the Western Illinois Teachers' college, Tuesday morning. Discussion of this problem will be led by Isabella Bolton, assistant superintendent of schools, Chicago. Following election of officers, an open forum will be held in the afternoon.

19 "Public Enemies" Are Out of Business.

"Where are the public enemies of yesteryear?"

This question, of wide general interest, was answered today by the Chicago Crime commission in letters from Frank Loesch addressed to the judges of the Criminal court. The communications referred to the original twenty-eight men listed in 1929 as "public enemies," and showed that according to their present status nineteen are out of business.

Five of them are in jail or penitentiaries. Under sentence, but out on bail, are two others and another pair are awaiting sentence.

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CHICAGO ILL TRIBUNE
MONDAY, DECEMBER 7, 1931.

NORTHUP TO OPEN CANAL CASE WITH PAY ROLL LISTS

Long Delayed Trial Will Start Today.

Testimony on pay roll padding will open the sanitary district graft conspiracy trial this morning in Chief Justice Harry Fisher's Criminal court. First Assistant State's Attorney John E. Northup, who has charge of the prosecution of Timothy J. Crowe and eight other defendants, said that he will proceed for several days along the line of pay roll padding before he goes into the other phases of the alleged graft conspiracy.

J. E. NORTHUP.

Chief Justice Fisher will preside over the trial without a jury unless the defendants announce a last minute switch in their plans. Judges John Prystalski and James J. Kelly will sit with the chief justice in an advisory capacity.

Defense Ready for Trial.

Attorney John McInerney of the defense has notified Prosecutor Northup that the "defense is ready to go" and will seek no further delay in the three year old case. Prosecutor Northup said that he, too, is ready and he has marshaled more than 1,100 witnesses. This list of witnesses, containing a cross section of the political life of the city, was furnished the defense attorneys on Saturday. Labor leaders, business men and baseball players also find their names listed among the witnesses.

Prosecutor Northup said yesterday that he would probably start the trial with the usual opening statement, although he does not expect to elaborate on his original bill of particulars, in which he charged the defendants with grafting and diverting approximately $6,500,000 from public funds. His opening statement, if one is made, will not take more than 30 minutes, he said, and he will then be ready to proceed with the introduction of his evidence.

One Defendant Fugitive.

The defendants in the case besides Crowe are James M. Whalen and John J. Touhy, present trustees of the district; Frank J. Link, John K. Lawler, and August W. Miller, former trustees; John T. Miller, former manager of the permanent plants a tru

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EMBER 7, 1931

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CHICAGO ILL HER & EXAM
MONDAY, DECEMBER 7, 1931

CRIME EXPERTS OPEN PARLEY

Distinguished authorities in criminology and related fields will take part in the sessions of the National Institute on Mercenary Crimes, which will hold its first annual meeting Monday and Tuesday at the Congress Hotel.

The institute will launch a war on swindles and seek methods of preventing such crimes as investment swindling, dishonest advertising, fraudulent merchandising, comercial bribery, coercive trade and labor activities, corruption of government and defalcations and betrayals of trust, according to Ernest D. MacDougal, president.

At the sessions the speakers include Frank J. Loesch, president of the Chicago Crime Commission; Dr. Clifford R. Shaw, director of the Institute of Juvenile Research; Dr. Martin H. Bickman, superintendent of the special work division of the governor's relief commission, and Professor Andrew A. Bruce of Northwestern University law school. United States District Attorney George E. Q. Johnson, the Rev. Frederic J. Siedenburg of Loyola University and Rabbi Louis L. Mann will speak at the banquet tonight.

Miss Isabella Dolton, assistant superintendent of schools, and Dr. Walter P. Morgan, president of the Western Illinois State Teachers' College, are on Tuesday's program. Dr. Morgan will speak on "What Schools May Do to Reduce Mercenary Crime." The public has been invited to attend sessions of the institute.

CHICAGO ILL TRIBUNE
MONDAY, DECEMBER 7, 1931

NEW INSTITUTE ON CRIME WIL CONVENE TODA

Members of the National Institu on Mercenary Crime, an organizat recently incorporated in Illinois conduct research work on the cau of crimes committed for pecuni profit, will hold their first annual me ing today and tomorrow at the C gress hotel.

Among the speakers listed Frank J. Loesch, president of the cago Crime commission; Dr. Clif R. Shaw, of the Institute for Juv

CHICAGO ILL TRIBUNE
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CHICAGO ILL POST
WEDNESDAY, DECEM

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"Yes," said McKeouen.

"Did you do any work?"

"No," replied McKeouen.
manager of the bowling team

$250 For Bowling.

McKeouen then explained th
received $250 a month, whic
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But Mr. Crowe, he said, was
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McKeouen said, he found he w
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The plans for the team, he
were worked out in Crowe's offic
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said he acted as a "good-will
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"George E. Q. Johnson" Nam

Albert Graczyk, 8707 Comm
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CHICAGO ILL TRIBUNE
SATURDAY, DECEMBER 12, 1931.

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CHICAGO ILL TRIBUNE
MONDAY, DECEMBER 14, 1931.

Druggan-Lake Fate Due to Be Settled Today

Terry Druggan and Frankie Lake, the first beer barons of Volsteadism, are to be sentenced to the penitentiary today on their pleas of guilty to income tax evasion charges unless they win another continuance before Federal Judge James H. Wilkerson.

The case was continued last Wednesday when Druggan and Lake sought permission to prove that efforts to compromise their civil tax liability were being carried out. Attorney Peter Sissman said he wished to show this in mitigation of punishment. It was indicated by the court, however, that the real reason for granting the continuance was the absence of Defense Attorney William F. Waugh, who was in Peoria defending Teddy Newberry, Capone gangster.

Action Today Indicated.

Druggan and Lake said the treasury department had agreed to compromise their civil liability of more than $500,000 for $150,000. The court asked whether this had been paid and was informed that it had not, but the money was being raised.

Then Judge Wilkerson made it plain that no action taken by the treasury department after the entry of pleas of guilty could affect the criminal cases and indicated he would dispose of them today.

Druggan stated in court that he was l - to understand Judge Wilkerson "would go light" on him for pleading guilty and settling with the government, but he and Attorney Sissman admitted that United States Attorney Johnson had agreed to no recommendation.

Pleas Now Unconditional.

The defendants' pleas were conditioned as to felony counts on the appeals of State Representative Lawrence C. O'Brien and Ralph Capone, both of which were denied by the United States Supreme court. Therefore the Druggan and Lake pleas now stand unconditional.

Judge Wilkerson declared he could impose five years' imprisonment for each felony count or a fine of 1 cent, as she seets fit from consideration of the evidence. Druggan faces a possible maximum of 32 years' imprisonment and fines totaling $60,000, while Lake is subject to a maximum of 27 years and fines of $50,000.

The gangsters allegedly had incomes of almost $1,000,000 each during the years from 1922 to 1925 inclusive, the heyday of the Valley brewing busines

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CHICAGO ILL POST
WEDNESDAY, DECEM

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CHICAGO ILL TRIBUNE
SATURDAY, DECEMBER 12, 1931.

O'Brien Goes to Prison for U.S. Tax Term

(Picture on back page.)

Handcuffed to a narcotic addict, Lawrence C. O'Brien, Democratic representative from the 29th [near north side] district for eight terms, was taken to Leavenworth penitentiary last night to start serving his 18 months sentence for income tax evasion. Federal Judge Lindley imposed the sentence and fined the legislator $6,000 after a jury found him guilty of evading a tax of about $100,000.

Thirteen nondescript violators of federal statutes occupied the Pullman car with O'Brien when it left the Union station at 6 p. m. over the Burlington railroad. Deputy Marshal Robert N. Dukelow was in charge of the prisoners.

Prison Ready to Accept Group.

Because of the Leavenworth prison break early yesterday, United States Marshal Laubenheimer wired at noon to learn whether new prisoners would be accepted. An answer reached him in mid-afternoon stating that order was restored and the shipment of men should be made. The marshal's office was informed that one cause for the riot might lay in recent overcrowding, occasioned by an outbreak of spinal meningitis at Atlanta prison.

Because of this, prisoners from the eastern district who would go to Atlanta under normal conditions were sent to Leavenworth at a time when the latter institution was taxed almost to capacity.

O'Brien, wearing a well tailored suit, reached the federal building at 2 p. m. yesterday, according to a previous arrangement with the marshal, accompanied by his lawyer, James A. O'Callaghan, and several friends, including County Commissioner Charles H. Weber, State Representative John R. McSweeney, west side Democrat, and Ald. William V. Pacelli, 20th ward Republican. The representative talked willingly with reporters.

Will Return to Politics.

"I'm going down to do my trick," he said. "And when I get back, I'll go right back into politics. No, I won't tell you what I'll run for, but I'm not through. Last night 500 of my friends gave me a big farewell party at the North Side Turner hall and collected $5,000 for me. I told them to give it to charity.

"I had a fair trial, but I still insist that income derived from municipalities and other taxing bodies is not taxable by the federal government."

O'Brien's trial showed that the $100,000 tax he allegedly owed was computed on income derived, in the main, from trucking for Lincoln park, the city and the sanitary district in 1926, 1927 and 1928.

After he had posed for newspaper cameramen, he was taken to the marshal's lockup where Deputy Ben Goldberg took his finger prints. "This is the last time this will happen, if I have to cut my hands off," O'Brien muttered.

With good time off, the legislator will serve a little more than a year. He would be eligible for parole sooner, perhaps at the end of six months. His conviction and sentence was one of the first obtained by United States Attorney Johnson in his campaign against tax evaders. Other notable convictions include those against Al Capone, Ralph Capone, Jack Guzik, Frank Nitto, Sam Guzik, Terry Druggan, Frankie Lake, and County Assessor Gene G. Oliver.

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CHICAGO ILL TRIBUNE
FRIDAY, DECEMBER 11, 1931.

JACK GUZIK TAX SENTENCE UPHELD IN APPEAL COURT

U. S. Continues Its 100% Record in Drive.

The conviction of Jack Guzik, Capone business manager, who is under sentence of five years and a day for income tax evasion, was affirmed yesterday by the United States Circuit Court of Appeals.

JACK GUZIK.

The victory for the government maintained its record of 100 per cent in the prosecution of gangsters and grafting politicians since United States District Attorney Johnson launched his income tax campaign three years ago. So far nine convictions have been won in the trial courts, four of these have been upheld by the Circuit court, and two appeals have been denied by the Supreme court.

Same Points of Law.

The Appellate court's opinion, written by Judge Evan A. Evans and concurred in by Judges Will M. Sparks and Samuel Alschuler, referred to the fact that the same points of law raised in Guzik's appeal have already been decided against County Assessor Gene G. Oliver, State Representative Lawrence C. O'Brien, and Ralph Capone in the higher courts.

This encouraged the belief among federal prosecutors that in the future appeals will not even be taken from income tax convictions. The only tax case now pending before the Circuit court is that of Al Capone.

Dodged $225,000 Taxes.

Guzik was charged with trying to dodge $225,000 in taxes on an income of more than $1,000,000 for the years 1927, 1928, and 1929.

Representative O'Brien is scheduled to leave tonight for Leavenworth penitentiary to serve his sentence of eighteen months, and Terry Druggan and Frankie Lake, former beer barons, are to appear before Judge James H. Wilkerson on Monday for sentence on their pleas of guilty to income tax evasion.

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CHICAGO ILL TRIBUNE
MONDAY, DECEMBER 14, 1931.

Druggan-Lake Fate Due to Be Settled Today

Terry Druggan and Frankie Lake, the first beer barons of Volsteadism, are to be sentenced to the penitentiary today on their pleas of guilty to income tax evasion charges unless they win another continuance before Federal Judge James H. Wilkerson.

The case was continued last Wednesday when Druggan and Lake sought permission to prove that efforts to compromise their civil tax liability were being carried out. Attorney Peter Sissman said he wished to show this in mitigation of punishment. It was indicated by the court, however, that the real reason for granting the continuance was the absence of Defense Attorney William F. Waugh, who was in Peoria defending Teddy Newberry, Capone gangster.

Action Today Indicated.

Druggan and Lake said the treasury department had agreed to compromise their civil liability of more than $500,000 for $150,000. The court asked whether this had been paid and was informed that it had not, but the money was being raised.

Then Judge Wilkerson made it plain that no action taken by the treasury department after the entry of pleas of guilty could affect the criminal cases and indicated he would dispose of them today.

Druggan stated in court that he was l - to understand Judge Wilkerson "would go light" on him for pleading guilty and settling with the government, but he and Attorney Sissman admitted that United States Attorney Johnson had agreed to no recommendation.

Pleas Now Unconditional.

The defendants' pleas were conditioned as to felony counts on the appeals of State Representative Lawrence C. O'Brien and Ralph Capone, both of which were denied by the United States Supreme court. Therefore the Druggan and Lake pleas now stand unconditional.

Judge Wilkerson declared he could impose five years' imprisonment for each felony count or a fine of 1 cent, as she seets fit from consideration of the evidence. Druggan faces a possible maximum of 32 years' imprisonment and fines totaling $60,000, while Lake is subject to a maximum of 27 years and fines of $50,000.

The gangsters allegedly had incomes of almost $1,000,000 each during the years from 1922 to 1925 inclusive, the heyday of the Valley brewing busines

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CHICAGO ILL TRIBUNE
THURSDAY, DECEMBER 10, 1931

DRUGGAN TALKS FAST, BUT JUDGE HAS LAST WORD

All Terry Gets Is Delay of Sentence.

(Picture on back page.)

Terry Druggan, one time opulent beer baron whose literary attainments have been revealed in civil proceedings, played the part of a lawyer yesterday before Federal Judge James H. Wilkerson. Druggan defended himself in his income tax dodging case, mingling such phrases as "double jeopardy" and "offer in compromise" with double negatives and mixed tenses.

Druggan and his former partner in the beer industry, Frankie Lake, appeared before Judge Wilkerson to be sentenced on pleas of guilty to income tax evasion, but the persuasive powers of Druggan and the assistance of Attorney Peter Sissman won a continuance until Monday.

Try to Show "Understanding."

Druggan and the lawyer sought t show that the pleas of guilty wer entered with the understanding tha Judge Wilkerson "would go light" in fixing punishment, somewhat in the manner of Al Capone's ill fated plea of guilty. They also tried to show that United States Attorney George E. Q. Johnson had agreed to recommend a compromise of the civil liability.

The lengthy session ended with Judge Wilkerson indicating that he would dispose of the cases on Monday, imposing the maximum penalties if he saw fit. Both Druggan and Attorney Sissman admitted at the close that Mr. Johnson had never agreed to make any recommendation concerning either the criminal or the civil liability.

Pronounces Pleas Irrevocable.

The Druggan and Lake pleas of guilty were entered with the condition that felony counts against them could be withdrawn if similar counts were reversed in the income tax cases of Ralph Capone and State Representative Lawrence C. O'Brien. These cases were affirmed by the higher courts and Judge Wilkerson yesterday pronounced the Druggan and Lake pleas "final and irrevocable."

"Before the entry of these pleas," said Attorney Sissman, "I had an understanding with the United States attorney that in consideration of them he would recommend the acceptance of a compromise offer of the money liability to the government."

Mr. Johnson's Position.

"The only position I have taken in this case," said Mr. Johnson, "was that if they [Druggan and Lake] could settle their troubles with the government that was a matter for the commissioner of internal revenue and that I would have no objection, but that these questions could never affect the criminal cases."

DRUGGAN—Your honor, when I signed that paper [referring to the plea of guilty by stipulation] I was told tnat the government would take $150,000 and I understand that you would let me show that I paid it.

THE COURT—Have you paid it?

DRUGGAN—I didn't pay it because there is some kind of a paper excuse. Col. Clifford told me in Washington that Mr. Johnson recommended it [acceptance of the offer in compromise] to the internal revenue and now they say take out the $150,000 [the offer in compromise] and leave the plea of guilty up to the court.

Col. Clifford Explained.

THE COURT—Who is Col. Clifford?

DRUGGAN—He is secretary of the treasury. [This brought a laugh from the spectators and District Attorney Johnson explained that Col. Clifford is a former assistant secretary of the treasury, now an income tax lawyer.]

THE COURT—They [the treasury department] could not sign a compromise that would affect the plea of guilty that has been entered.

DRUGGAN—Your honor, they told me they would not talk to me until I done this. I don't know how I got into this thing. Judge, I don't know how I got in here. They told me to pay the government and you would be light on me after I done it. Now, everybody don't know nothing about it.

THE COURT—Who told you I would be light on you?

DRUGGAN—The fellows in Washington told me if I got the O. K. and I had good intentions and didn't try to cheat the government that would make a difference with the court.

THE COURT—I think that everything that transpired was in open court so far as I am concerned.

DRUGGAN—No, he [indicating Attorney Sissman] didn't—he told me he talked to these men there, that he made an agreement with the district

(Continued on page 6, column 4.)

CHICAGO ILL TRIBUNE
SATURDAY, DECEMBER 12, 1931.

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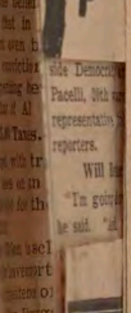

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CHICAGO ILL TRIBUNE
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"George E. Q. Johnson" Named.

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DRUGGAN TALKS FAST, BUT JUDGE HAS LAST WORD

Only Thing Terry Wins Is Delay of Sentence.

(Continued from first page.)

attorney, and all I had to do was listen. Now none of them knows anything about it, your honor. Now I am crazy or he is crazy [referring to Attorney Sissman].

THE COURT—Nobody has accused you of being crazy. [Druggan acknowledged this compliment with a smile, but insisted that he was told to pay and the court would show leniency].

District Attorney Johnson was insistent upon obtaining the admissions of Attorney Sissman and Druggan that he promised to make no recommendation as to the offer in compromise of the criminal liability.

MR. JOHNSON—[To Attorney Sissman]—In the discussions with me and with my assistants the question of the compromise of the criminal liability was never discussed or even thought of?

MR. SISSMAN—No.

MR. JOHNSON—We are clear about that?

MR. SISSMAN—Yes.

MR. JOHNSON—There isn't any question about it.

MR. SISSMAN—There is none.

Defense Wins Continuance.

The defense desired the continuance to Monday for the purpose of showing that efforts to settle with the government were being made and offered to plead it in mitigation of punishment. They also desired to call certain witnesses, including Mrs. Mabel Reinecke, former collector of internal revenue, and revenue agents to show that Druggan had always desired to compromise and had not willfully evaded his taxes.

The continuance was granted because Attorney William F. Waugh of counsel for the defense, will be out of town until Monday.

Druggan and Lake, who together owe the government more than $500,000 in taxes and penalties, are trying to settle for $150,000.

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CHICAGO ILL POST
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CROWE, BOWLER PAID $250 FROM DRAINAGE FUNDS

"Whoopee" Trial Reveals How Treasury Was Plundered.

The gentlemen of the T. J. Crowe Bowling team, during the happy days when Crowe was head of the sanitary district, were well provided for, it was evidenced today as the "whoopee" graft conspiracy trial continued before Judges Fisher and Kelly. Judge Prystalski, who has been sitting with the other two, was ill today.

The manager of the bowling team which upheld the name of Crowe took the stand today, and explained how the thing worked out. He was Arthur McKeouen, 2501 Leland avenue.

"Were you ever employed by the sanitary district?" a prosecutor asked him.

"Yes," said McKeouen.

"Did you do any work?"

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$250 For Bowling.

McKeouen then explained that he received $250 a month, which, he said, was used for entry fees and traveling expenses for the five members of the team.

But Mr. Crowe, he said, was not a member of the team. Mr. Crowe did not bowl. His position was that of patron to the ancient port. As soon as the bowling season opened in 1927, McKeouen said, he found he was on the pay roll. And after he agreed to organize the bowling team for the non-bowling Mr. Crowe, he said, there was an "understanding" that he was to be given a job when there was a vacancy. Nothing definite. Just the understanding.

The plans for the team, he said, were worked out in Crowe's office in the loop. Altogether, he said, he got $2,750 from the sanitary district.

William J. Connors, 209 East Chestnut street, chief bailiff of the Municipal court, was on the pay roll, and said he acted as a "good-will ambassador" to out-of-town senators and representatives when they visited Chicago, showing them the boulevards and parks. His bill for expenses was about $400 a month, he said, equaling his salary.

"George E. Q. Johnson" Named.

Albert Graczyk, 8707 Commercial avenue, testified that his sponsor on the district was Joseph Hanahan, secretary to George E. Q. Johnson.

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(Continued on Next Page.)

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CHICAGO ILL TRIBUNE
SATURDAY, DECEMBER 12, 1931.

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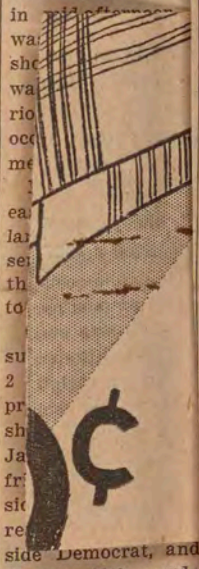

CHICAGO ILL TRIBUNE
MONDAY, DECEMBER 14, 1931.

Druggan-Lake Fate Due to Be Settled Today

Terry Druggan and Frankie Lake, the first beer barons of Volsteadism, are to be sentenced to the penitentiary today on their pleas of guilty to income tax evasion charges unless they win another continuance before Federal Judge James H. Wilkerson.

The case was continued last Wednesday when Druggan and Lake sought permission to prove that efforts to compromise their civil tax liability were being carried out. Attorney Peter Sissman said he wished to show this in mitigation of punishment. It was indicated by the court, however, that the real reason for granting the continuance was the absence of Defense Attorney William F. Waugh, who was in Peoria defending Teddy Newberry, Capone gangster.

Action Today Indicated.

Druggan and Lake said the treasury department had agreed to compromise their civil liability of more than $500,000 for $150,000. The court asked whether this had been paid and was informed that it had not, but the money was being raised.

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Judge Wilkerson declared he could impose five years' imprisonment for each felony count or a fine of 1 cent, as she seets fit from consideration of the evidence. Druggan faces a possible maximum of 32 years' imprisonment and fines totaling $60,000, while Lake is subject to a maximum of 27 years and fines of $50,000.

The gangsters allegedly had incomes of almost $1,000,000 each during the years from 1922 to 1925 inclusive, the heyday of the Valley brewing busines

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CHICAGO ILL TRIBUNE
WEDNESDAY, DECEMBER 9, 1931.

Sheriff Gets 3 Months in Jail Scandal

Sheriff John Perucca of Grundy county was sentenced to three months in the Du Page county jail at Wheaton by Federal Judge Charles E. Woodward yesterday for contempt of court in granting liberties to a prisoner. This prisoner was Anton J. Rench, former mayor of Stickney and alleged Capone henchman.

Rench, Judge Woodward found, was free to come and go at the county jail in Morris where he is serving a year's sentence for violation of the prohibition law.

Both Held to Grand Jury.

Judge Woodward also held both Perucca and Rench to the federal grand jury in bonds of $2,500 each on a charge of conspiring to allow a prisoner to escape. Assistant United States District Attorney Edward A. Fisher was instructed to present evidence to the grand jury also against Perucca for permitting a prisoner to escape.

Perucca was granted a stay of execution for one week, but both he and Rench were ordered taken into custody until they furnished bond.

Points to Hospitality.

In his opinion Judge Woodward dwelt on Perucca's hospitality to Rench. Judge Woodward found that on last April 8, Perucca permitted Rench to take an insane prisoner to Elgin in company with a deputy sheriff; that Rench was seen many times on the sidewalks in front of the jail; that Rench slept in the women's cells or in the sheriff's quarters; that he met his friends socially outside the jail, and lolled on the grass of the courtyard lawn.

A hearing on similar charges against former Sheriff Henry Y. Jones, of the same county, and Matt Blazer, Oak Park bootlegger, who was released after a six months' term recently, was set for Dec. 15. The hearing of evidence against Perucca and Rench was completed early in November.

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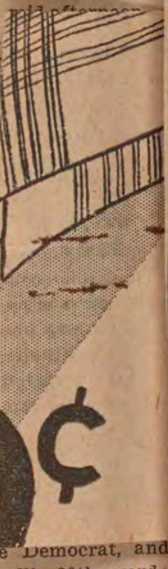

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CHICAGO ILL POST
WEDNESDAY, DECEMBER 16, 193

DRUGGAN "FIX-UP" CHARGE MAY NET JAIL FOR PERJURY

Former Senator Reed Sought by Beer Baron to Act as Counsel.

Terry Druggan's charge that there was an agreement between one of his attorneys and United States District Attorney George E. Q. Johnson, whereby Druggan was to plead guilty in return for Johnson's recommendation of a $5,000 fine and no jail term may land Terry in jail for perjury, it was indicated today when the Druggan income tax case was called in Judge Wilkerson's court.

Reed May Be Counsel.

At the opening of the session Col. Bennett C. Clark, son of the late Champ Clark and law partner of former Senator James A. Reed of Missouri, filed his appearance and revealed to the court that Senator Reed had been asked by Druggan to act as his counsl.

Col. Clark declared that Druggan had told Reed about the alleged efforts made by his attorneys to compromise the criminal liability, and Reed had been inclined to think Druggan had a case. The Missourian, however, Col. Clark explained, wanted time to consider the matetr and to decide whether or not to enter the lists.

Clark therefore asked for a sixty-day continuance, but, in view of the fact that the beer baron's guilty plea has been on file for over a year, Judge Wilkerson said he could grant only a five-day stay to give Druggan's counsel tim eto file affidavits in support of thteir motion to withdraw the plea and stand trial. Col. Clark thereupon withdrew from the case.

The "agreement" upon which, Druggan insists, he based his guilty plea, and on which the motion to withdraw is based, was negotiated by Attorney Leo P. Melnick, formerly of Druggan's counsel, according to the story Druggan told in court.

Challenge by Johnson.

District Attorney Johnson denied that any agreement had been entered into and asked that the beer baron's charge be put in affidavit form.

"And I feel," he said, "that the district attorney should be given an opportunity to answer the affidavit. The reputation of public officials has been questioned, and, if not proved, there should be charges of perjury and punishment."

Druggan was heard to "stage-whisper" to his attorneys that he was "ready to file that affidavit right now."

CHICAGO ILL DAILY NEWS
WEDNESDAY, DECEMBER 16, 1931.

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TIMES
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CHICAGO ILL DAILY NEWS
WEDNESDAY, DECEMBER 16, 1931.

NEW MANEUVER HOLDS UP ACTION IN DRUGGAN CASE

Sentence Deferred to Monday; Change in Plea May Be Sought.

Sentencing of Terry Druggan and Frank Lake, the "valley" beer hoodlums, on their plea of guilty to income-tax evasion was postponed today by Federal Judge James H. Wilkerson until Monday.

This was done to give the hoodlums an opportunity to make affidavit, if they so decide, in support of a petition for a change of plea from guilty to not guilty, based on a statement by Col. Bennett C. Clark, son of the late Champ Clark, that Druggan had told him he had been given assurance by Attorney Leopold Melnick that the criminal liability had been compromised.

United States District Attorney George E. Q. Johnson denied this heatedly and demanded that Druggan make a sworn statement to that effect, thus giving the district attorney and his aids an opportunity to answer the state and, it was intimated, prosecute Druggan for perjury if the untruth of the statement could be proved.

Seen as Echo of Plot.

What occurred in court today seemed to prosecutors to be an echo of the Druggan plot, exploded in September, whereby Druggan was to take the witness stand and testify a $75,000 bribe had been passed to enable him to escape the penitentiary in the income-tax case.

Col. Clark withdrew from the case today because Judge Wilkerson would not grant a sixty-day continuance that he and Former Senator James A. Reed might investigate the validity of statements made to them by Druggan and to familiarize themselves with the case.

Whether Druggan will stand on his plea of guilty or whether he will furnish affidavits swearing to the truth of the statement he made to Col. Clark was not indicated by the hoodlum or his attorneys.

Even if he does furnish the affidavit, in which would be set forth his sworn statement that a deal had been made, Judge Wilkerson may refuse to allow the change of plea and pronounce sentence.

Wilkerson Takes Bench.

Judge Walter C. Lindley was hearing Judge Wilkerson's call when the Druggan-Lake case came up. Then Judge Wilkerson took the bench. Mr. Johnson was in court with his income-tax prosecutors, Dwight H. Green, Jacob I. Grossman and William J. Froelich.

The government said it was ready to proceed.

Judge Wilkerson said he understood that the plea of guilty, entered last January, was qualified only by the appeals in the case of Ralph Capone and State Representative Lawrence C. O'Brien.

William F. Waugh of defense counsel said he had not seen his clients

(Continued on Third Page.)

CHICAGO ILL POST
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(Continued from First Page.)

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Col. Clark then spoke up and told how Druggan had appeared at Jefferson City, Mo., had conferred with Former Senator Reed there and that he had told Reed and Clark that although he had a meritorious defense, he had been advised by Attorney Melnick to enter a plea of guilty.

"The plea was entered, according to client's statement," said Col. Clark, "in the belief the district attorney would recommend payment of $150,000 in settlement of the civil case and also recommend a $5,000 fine as maximum penalty in the criminal case."

Judge Wilkerson asked Col. Clark if he planned to make application for a change of plea.

Want Time to Investigate.

"I might do so," said Col. Clark, "if given time to investigate the case. It will take Senator Reed thirty or forty-five days to finish the case he is engaged in at Jefferson City. I want it understood we haven't accepted employment in this case, but we do think we should be allowed time to investigate the case, particularly the statement made by the client. If his statements are true, they are of grave public concern."

District Attorney Johnson, evidently suppressing wrath, stepped forward.

"I cannot let these statements go unchallenged," he said. "There is not one word of truth in what counsel has said so far as it applies to the United States attorney or his assistants. Never at any time was any word spoken of compromise in the criminal liability in this case.

"I would like to have these statements made under oath so that the public officials may have some chance to protect themselves."

Judge Wilkerson—I believe affidavits would be proper so that counsel for the United States may reply.

Urges Time Limit.

Mr. Johnson—I think the time for the filing of these affidavits should be limited. Col. Clark is from out of the city. I don't want this case strung out over a length of time.

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TIMES
BER 16, 1931.

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The report, presented to the advisory committee, states that the prospects for 1932 are not favorable despite the measures of economy.

Receipts of the rail lines during 1929 rose to reach a peak of more than $1,300,000,000. The estimated receipts for 1931 are around $950,000,000, or 28 per cent less than in 1929.

Operating costs have been somewhat adjusted to less traffic. Material costs are lower, but it is thought impossible to reduce the costs more than 18 per cent. The main cause of the decrease in traffic is the economic condition, but motor truck competi-

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CHICAGO ILL POST
WEDNESDAY, DECEMBER 16, 193

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CHICAGO ILL TIMES
WEDNESDAY, DECEMBER 16, 1931.

FINE OF $5,000 PROMISED, SAYS TERRY'S ATTORNEY

Col. Bennett C. Clark, son of the late Champ Clark and a law partner of ex-Sen. James A. Reed of Missouri, today told Federal Judge Wilkerson he had been advised that Terry Druggan had been double-crossed by Dist. Atty. George E. Q. Johnson. Mr. Johnson vigorously denied it.

The substance of Col. Clark's statement was that Johnson had promised Druggan he would recommend a $5,000 fine as the sole penalty for Terry's income tax frauds if Terry would plead guilty.

Clark asked the judge to continue for 60 days the sentencing of Terry and his former beer partner, Frankie Lake, so defense lawyers might "fully investigate the representations of Mr. Druggan."

Judge Overrules Plea

The judge overruled this plea, but continued the matter until Monday.

Mr. Johnson, flushing angrily, demanded that Druggan's and Lake's motion for leave to withdraw their pleas of guilty be accompanied by affidavits embodying their allegations.

"I want this in affidavit form," Mr. Johnson said, "so it may be used as a basis for perjury charges. At this time I wish to inform the court that neither I, nor any one from my office, ever entered into a compromise with Druggan or Lake, and these charges are utterly unfounded."

Col. Clark Withdraws

When Judge Wilkerson denied Col. Clark's request for a 60-day continuance, the St. Louis lawyer withdrew as counsel for the beer boys. He had said there was a likelihood that Mr. Reed would have aided in the defense of Druggan and Lake if the continuance had been granted. Mr. Reed is now engaged in a trial at Jefferson City, Mo., which will keep him busy for five weeks, Col. Clark said.

Col. Clark, enlarging on the supposed compromise offer, said Druggan had gone to Jefferson City last Friday and told Mr. Reed that Atty. Leopold B. Melnick had obtained from Mr. Johnson the promise of recommendation of a $5,000 fine as the full penalty.

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CHICAGO ILL TRIBUNE
TUESDAY, DECEMBER 15, 1931.

FILE BANKRUPTCY CLAIMS AGAINST CHRIS PASCHEN

Creditors Accuse Former Building Commissioner.

Christian P. Paschen, building commissioner under the last city administration, who was indicted last March by a federal grand jury on a charge of income tax evasion, was named defendant in a petition in involuntary bankruptcy filed yesterday in the federal court.

The claims of the three creditors who filed the petition total only about $2,000, but the petition charges that Paschen's total liabilities are about $900,000. Attorney Arnold Kolb of Baker, Holder, Schmidt & Kolb, who filed the petition, stated that he understood that Paschen's assets were not more than $500,000, and that most of these were frozen.

Charges by Creditors.

The petition charges that Paschen recently committed an act of bankruptcy in that he "removed, concealed or caused to be concealed" a part of his property. Attorney Kolb said that his clients filed the petition after they were informed that other creditors had received preferred claims to part of the defendant's assets.

Attorney Kolb said he and his law partners would ask the appointment of a receiver today before Federal Judge George A. Carpenter. The plaintiffs in the petition are W. J. Wyman, a contractor with offices at Ontario street and McClurg court; the Plymouth Cordage company, Plymouth, Mass.; and the Kahn Brothers' Hay and Grain company, 4421 South Halsted street.

Accused of Tax Dodging.

Paschen is charged in the income tax indictment with withholding tax payments totaling $113,000 from the government for the years 1927 and 1928. United States District Attorney George E. Q. Johnson announced a month ago that his assistants would try to have the case brought to trial next month.

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"And I feel," he said, "that the district attorney should be given an opportunity to answer the affidavit. The reputation of public officials has been questioned, and, if not proved, there should be charges of perjury and punishment."

Druggan was heard to "stage-whisper" to his attorneys that he was "ready to file that affidavit right now."

CHICAGO ILL DAILY NEWS
WEDNESDAY, DECEMBER 16, 1931

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CHICAGO ILL HER & EXAM
MONDAY, DECEMBER 14, 1931

MRS. REINECKE TO BE WITNESS FOR DRUGGAN

Called to Tell of Alleged Compromise Offer; 'Beer Twins' Seek Light Tax Sentence

Mrs. Mabel Reinecke, who, as collector of internal revenue, first claimed the government's share in the illicit income of Frank Lake and Terry Druggan. will be called as a defense witness today when the former beer lords face Federal Judge James H. Wilkerson for sentence.

Although both Druggan and Lake have entered pleas of guilty contingent upon the unsuccessful appeals of State Representative Lawrence C. O'Brien and Ralph Capone, an effort will be made by counsel today to enter evidence in mitigation and a light sentence will be asked.

BARE AGREEMENT.

It is in this connection that Mrs. Reinecke has been summoned to tell of the early negotiations of the "beer twins" to compromise their civil income tax liabilities. Peter Sissman, of counsel for Druggan and Lake, last Wednesday indicated that the offers to compromise the civil liability should be taken into consideration by the court in passing sentence.

The former partners, who have been assessed tax and penalties of more than $500,000, have made a number of compromise offers and now have one of $150,000 pending before internal revenue officials in Washington. Defense counsel are also expected to argue that the government's attempt to collect penalties in addition to a criminal sentence constitutes double jeopardy.

SCOUTS COMPROMISE.

In the hearing last week District Attorney George E. Q. Johnson denied that the criminal case had in any manner been compromised by the civil litigation and the court indicated that the guilty pleas were unconditional.

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CHICAGO ILL TRIBUNE
FRIDAY, DECEMBER 18, 1931.

CAPONE DENIES JAIL FAVORS; U.S. PROBES CHARGE

Restrictions Put on Visits to Gang Chief.

Al Capone said yesterday that he is not the pampered prisoner that some persons would have government officials believe he is. When an anonymous telegram was received by United States Attorney Johnson saying that Chicago's gangster chief, now in the county jail awaiting the outcome of his appeal from his income tax sentence, was enjoying special privileges, luxurious surroundings, secretarial assistance, and aid in conducting his business by telegraph, telephone, messenger, and consultations with his assistants in the county jail, an investigation resulted.

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Warden Tells His Side.

Warden David Moneypenny declared that when Capone was placed in his charge Federal Judge James H. Wilkerson, who refused Capone bail while awaiting the outcome of an appeal on his sentences which aggregate 11 years, he had asked Marshal Laubenheimer to take the responsibility of deciding who could visit Capone. Until yesterday, the warden said, the government had not acted on his request.

To show that Capone was not being coddled as a former warden coddled Terry Druggan and Frankie Lake, and as other wardens have done with prohibition prisoners, Moneypenny took newspaper men to Capone's cell. It is D-5, a dormitory in which three other prisoners are kept, one of them a young consumptive who sleeps in the hall. It is not in the hospital, as had been alleged.

Capone in His Cell.

"Hello, what's up now?" said Capone when the reporters appeared. Informed that he was being investigated, Capone exclaimed: "I'm in jail; aren't they satisfied?"

"Anybody who wants this place welcome to it. I don't see anything swell about this," and Capone waved his hand, indicating his bare surroundings. He had been playing cards with the sick prisoner. He was wearing an old blue suit, pencil striped, with a soft collared white shirt, open at the throat and with no tie.

Capone's visits have been "through a double screen," Warden Moneypenny stated. Like other prisoners, he has one general visiting day, Thursday.

Therefore, in accordance with the rules, he was allowed special visits at his request on other days excepting Tuesday, Friday, and Sunday. These, however, in the future, must be approved by Marshal Laubenheimer and Assistant United States Attorney Dwight H. Green, who said they will not permit hoodlums the privilege.

CHICAGO DAILY TRIBUNE TUESDAY

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Rules U. of C. Quadrangle Club Is Subject to Tax

Federal Judge George A. Carpenter yesterday ruled that the Quadrangle club of the University of Chicago, whose membership is comprised chiefly of professors, is a social club, and as such is subject to taxation by the government. The club recently sued the government for a refund of approximately $10,000 collected as taxes, claiming that the club is an educational society and practically part of the University of Chicago. Assistant United States District Attorney John P. Barnes, however, introduced records showing that the club held numerous social affairs such as dances, bridge parties and Christmas revels.

CHICAGO DAILY TRSDAY

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TULSA OKLA. WORLD
DEC. 17, 1931 D22

CHARGE GANGSTER CASE WAS FIXED

Beer Baron's Case Delayed During Quiz Into Charges

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CHICAGO, Dec. 16 (AP)—Allegations of "negotiations" between gangster Terry Druggan and government officials halted today the sentencing of Druggan and his fellow "beer baron," Frankie Lake, as income tax dodgers.

Col. Bennett C. Clark of St. Louis informed the court that Druggan had told former Senator James A. Reed that he was induced to enter a plea of guilty to the income tax evasion charge because one of his former attorneys claimed to have an agreement so that Druggan would escape with a fine if he paid $150,000 to settle his civil liability.

United States District Attorney George E. Q. Johnson stepped up to deny that there was "a word of truth" in these "unpleasant charges." He urged the court to demand that an affidavit be filed so that district attorney could answer, asserting "the reputation of public officials has been questioned here and if not proven there should be charges of perjury and punishment."

Federal Judge James H. Wilkerson agreed that the allegations should take written form and gave counsel until Monday to prepare an affidavit and also to prepare a mo-

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DALLAS TEX. NEWS
DEC. 18, 1931 D23

See RAILWAYS on Page 3.

Al Capone Uses Prison as Office For Gang Affairs

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CHICAGO ILL AMERICAN
FRIDAY, DECEMBER 18, 1931.

Bar Gang Leaders From Visiting Al Capone

The doorway to Al Capone's county jail quarters today was slammed in the face of envoys from the underworld.

Hoodlums and others of ill repute may not visit their erstwhile chief, it was announced by United States Marshal Henry C. W. Laubenheimer and Assistant United States District Attorney Dwight H. Green.

The marshal and the prosecutor have been named as a board of review before whom all applicants for Capone cell passes must appear. Gangland figures, they declared, would be summarily denied admission.

Action to tighten the network of surveillance around Capone's fifth floor dormitory followed an investigation by federal authorities of rumors that the master gangster was getting undue privileges and was carrying on his business through conferences at the jail with his associates.

United States District Attorney George E. Q. Johnson stated positively that the reports, contained in anonymous letters, had been disproved. None the less, he said, the "check and double check" system of supervising Capone's visitors had been adopted as an extra precaution.

Informed of the investigation carried on relating to his jail activities, Capone himself merely shrugged his denial of the special privilege charge.

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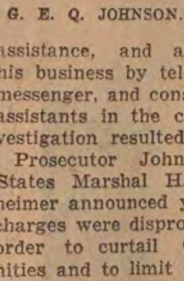

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"We are ready to proceed. These cases have been pending since last January," said Assistant United States Attorney Jacob I. Grossman when the hearing began.

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Star
Kansas City, Mo
Dec 16, 1931

BEER BARON SEEKS REED

DRUGGAN CASE BRINGS UP ALLEGED $150,000 DEAL.

Bennett Clark, Getting In and Then Out as Counsel, Says Ex-Senator Desires to Examine Charges.

(By the Associated Press.)

CHICAGO, Dec. 16.—Allegations of "negotiations" between Terry Druggan, gangster, and government officials, halted today the sentencing of Druggan and his fellow "beer baron," Frankie Lake, as income tax evaders.

Col. Bennett C. Clark of St. Louis informed the court Druggan had told ex-Senator James A. Reed he was induced to enter a plea of guilty to the income tax evasion charge because one of his former attorneys said he had an agreement that Druggan would escape with a fine if he paid $150,000 to settle his civil liability.

George E. Q. Johnson, United States district attorney, stepped up to deny there was "a word of truth" in these "unpleasant charges." He the court to demand that an affidavit be filed so the district attorney could answer, asserting "the reputation of public officials has been questioned here, and if not proved there should be charges of perjury and punishment."

Federal Judge James H. Wilkerson agreed the allegations should take written form, and gave counsel until Monday to prepare an affidavit and also to prepare a motion requesting leave to change the plea from guilty to not guilty.

Clark, who filed an appearance in the case only a few days ago, asked for a 60-day continuance, asserting Senator Reed desired to examine the truth of the Druggan charges before accepting a retainer in the case.

"I think Senator Reed should be able to decide by Monday," Judge Wilkerson replied. Clark asked and obtained leave to withdraw his appearance in the case.

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Herald + Examiner Dec 21-1931

CHICAGO ILL HER & EXAM
MONDAY, DECEMBER 21, 193

DRUGGAN AND LAKE HEAR TAX PENALTY TODAY

Judge Expected to Sentence Beer Twins in Federal Court; Trace Bribe Charge Here

The key to the sensational Druggan-Lake $75,000 bribery charges which recently brought a federal investigation of United States Attorney George E. Q. Johnson's office is held in Chicago.

This was revealed last night as Terry Druggan and Frankie Lake prepared to face Federal Judge Wilkerson today for sentence on income tax charges. The West Side beer twins—so strangely involved in the half-revelations concerning the bizarre bribery charges—will hear their fate on guilty pleas at 10 a. m.

CHARGES MADE IN CHICAGO.

Disclosure that the bribery charges were made, not in Washington, as previously reported, but to some federal official in Chicago, was made in the Department of Justice at the capital. An official there said:

"Harold C. Hayes did not come to Washington to make his statement. He made it in Chicago. The department will not give the statement out. It regards it is confidential."

Hayes, owner of the Metropole and several other hotels, is a close friend of Druggan and Al Capone. The gist of his reported statement several months ago was that Druggan had paid $75,000 to fix the government's criminal case against him.

PROSECUTOR EXONERATED.

Such credence did the Chicago federal official who received it give the Hayes report that he at once forwarded it to Attorney General Mitchell at Washington. The only report made after the exhaustive investigation exonerated the United States attorney, but did not refute the charge money had been used for bribery.

Federal officials declined to comment on Hayes' motive in making a report to the government. Hayes would only say that "newspaper accounts so far don't tell the half of the story—they only hint at it."

FAILS TO FILE AFFIDAVITS.

Arraigned a week ago, Druggan threatened to tell the "inside" story of the $75,000 bribe. He was given until Saturday to file affidavits, but failed to do so.

The former beer partners face maximum sentences of seventeen years and fines aggregating $10,000. Druggan owes $243,919 in taxes and $60,802 in penalties. Lake owes $181,6[illegible] [illegible]es and $50,380 penalties.

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Washington, D. C. Star
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EVASIVE ON PHONE CALLS.

Investigators reported last night they "had been unable to substantiate" information that Capone had used telephone and telegraph to direct gang operations. There was no comment, however, on the number and identity of his visitors at the jail at all hours of the day.

Nor was anything said about the "unofficial" report that Capone, in jail or temporarily out, had held conference with his gang intimates at night.

When investigators visited the jail they found Capone confined to a dormitory on the fifth floor, where he has the use of a com-

Turn to Page 2, Column 3.

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Herald + Examiner Dec. 21 - 1931

CHICAGO ILL POST
MONDAY, DECEMBER 21, 1931.

DRUGGAN, LAKE ASK FOR DELAY

Wilkerson May Probe Alleged Deal.

Attorneys for Terry Druggan and Frank Lake, once leading beer barons, asked for delay in the sentencing of the two when they appeared before Judge Wilkerson today. Druggan and Lake have pleaded guilty to income tax violation.

Judge Wilkerson indicated that he would consider their motion later in the day and that he might also go into the question of the alleged "deal" Druggan had with the government to escape a severe sentence.

No effort will be made to change their pleas from guilty to not guilty, it was announced by their attorney, Capt. William F. Waugh. At a hearing last week Judge Wilkerson gave them until last Saturday to file a petition for a change of plea, but no petition was filed.

Last week Druggan charged that he had agreed to plead guilty on the advice of Attorney Leopold F. Melnick that an agreement had been reached with District Attorney George E. Q. Johnson, whereby a fine of $5,000 would be recommended as his punishment.

Judge Wilkerson asked that the charges be reduced to an affidavit and be filed by last Saturday. Druggan failed to produce such an affidavit and Judge Wilkerson said he would not consider the charges in any other form.

It was said that the defense would seek a delay in order to call Mabel Reinicke, former collector of internal revenue, in an effort to show Druggan and Lake sought to compromise their tax liabilities, and did not willfully seek to evade payment.

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Gangs Levy Tribute on Christmas Trees

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Washington, D. C. Star
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"Merry Christmas!"

Herald + Examiner Dec 21-1931

CHICAGO ILL HER & EXAM
MONDAY, DECEMBER 21, 193

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It was explained that the marshal would examine carefully all persons applying for permission to see the gangster as he awaits the appeal on his conviction as an income tax dodger.

Investigation by Government agents was started after Federal Judge James H. Wilkerson, who sentenced Capone to eleven years, and United States District Attorney George E. Q. Johnson, who headed the prosecution, both received anonymous communications stating that Capone was receiving telephone, telegraph and messenger service enabling him to control his gang as well as if he were outside the jail.

Both District Attorney Johnson and officials of the Department of Justice in Washington said the charges "could not be substantiated."

Warden David Moneypenny, of the county jail, requested the marshal's office to take over the responsibility of issuing passes to Capone's visitors. Several minor politicians had asked to see the gangster and it was feared they would turn over their permits to Capone's lieutenants.

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By the Associated Press.

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Continued From First Page.

fortable hospital cot, a soft mattress, clean linen and a private shower. Such comforts are not allowed to the ordinary run of prisoners, who must occupy cells in the tiers and find restricted relaxation in the "bull pens."

STREAM OF CARS NIGHTLY.

They discovered that late at night expensive automobiles were parked within the jail shadows. Guarding them were men who had every appearance of hoodlums. The presence of these cars has not yet been explained, and federal investiga[illegible] would not reveal whether any [illegible] the men had been questioned.

It was learned definitely, however, that Warden Moneypenny, Deputy Warden George Gibson and several guards and prisoners were interrogated to learn the nature of Al's life in jail.

BAN ON VISITORS ORDERED.

When this questioning was over, an order was issued by U. S. Marshal H. C. W. Laubenheimer that no one should be allowed to visit Capone without a pass signed by the marshal or his chief deputy, Edward A. King.

Exceptions were made in the cases of Capone's mother, his wife, his son and his lawyers, Albert Fink and Michael J. Ahern.

Even when the pass order was issued, the determination to see Capone persisted, as shown in the flood of requests for these tickets.

Laubenheimer said he had been litterally beseiged with requests for passes by petty politicians who, he

PLOT NIPPED

fears, may turn them over to Al's lieutenants. Strengthening this suspicion is the conviction that the better known Capone leaders would hesitate to apply, themselves, for a pass from the marshal.

Moneypenny denied that Capone was receiving special privileges.

Ralph Capone Sends Self a Christmas Greeting!

Ralph Capone, who is serving a three-year sentence for income tax evasion at the McNeil Island fed[illegible] prison at Seattle, is devoting [illegible] to the interior decora[illegible] [illegible]is cell, according to word [illegible] from the prison yesterday.

He has festooned the four steel walls of his sleeping quarters with little red balls and with green and white crepe paper. And on the lintel of his cell door he has chalked a greeting to himself: "Merry Christmas!"

1931 107

CAPONE RUNS UNDERWORLD FROM CELL

Gangsters Daily Visitors at Jail, Tipster Wires Washington; Al Living in Luxury

(Picture on Back Page.)

Officials of the Department of Justice and officers [illegible] United States District Court here have conducted a searching inquiry into reports that Al Capone has been accorded special privileges in the county jail, it was admitted in Washington last night.

The investigation, it was revealed, began ten days ago when three anonymous telegrams, all worded the same, were received by Federal Judge James H. Wilkerson, United States District Attorney George E. Q. Johnson and Warden David Moneypenny of the jail.

HOODLUMS 'DAILY VISITOHS.'

They asserted that Capone was receiving hoodlum henchm[illegible]n daily as visitors, that he was allowed to make phone calls and send tele[illegible]grams and, in short, was run[illegible] his underworld machine [illegible]hind the bars.

The order came from the Department of Justice at Washington that the inquiry must be pushed to the limit to determine whether the invisible power of the Capone machine, that flouts the law, is greater than that of the government, which makes that law.

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CHICAGO ILL TRIBUNE
WEDNESDAY, JANUARY 6, 193

DRUGGAN TRIES TO SHOW JUDGE HE MEANS WELL

Fate Delayed by Illness of Wilkerson's Father.

TERRY DRUGGAN.
[Tribune Photo.]

Terry Druggan tried to convince Federal Judge James H. Wilkerson yesterday that he is an honest, law abiding citizen even if he can't register at a hotel under his own name, and that he always wanted to pay the government every nickel he owed in income taxes.

The going was hard for the former beer magnate when Judge Wilkerson was obliged at 2 p. m. to adjourn court because of the illness of his father, who is 89 years old, in St. Joseph, Mo. Judge Wilkerson left last night for St. Joseph after talking to physicians on the telephone.

Further evidence in "mitigation and aggravation of punishment" in the case of Druggan and Frankie Lake, his former partner, will not be heard until the judge's return. Their sentences on pleas of guilty to income tax fraud will thus be postponed indefinitely.

Druggan Gets Into Trouble.

Druggan got himself into difficulties by offering to deed over to the government various properties which he had just disclaimed ever having owned, and by dismissing costly items he neglected to mention in his statement of assets by saying he "overlooked" them.

The chastened gangster, who says "eyether" and always refers to jail service as his "period of incarceration," was asked by Attorney William F. Waugh whether he offered to make conveyances of his properties to the government.

"Why, I offered to deed them," he said.

Druggan started out to tell his own story, which began with his sentence to a year in jail by Judge Wilkerson in 1924.

Terry Tells His Story.

"Even before my period of incarceration, your honor, I was trying to get everything straightened out," he said. "When I was released in 1925 I retained the law firm of Kirkland, Fleming, Patterson & Green, I believe it was, and they settled up some other cases in court with payment of fines. Then we started in on the income taxes, but we couldn't get any figures. We couldn't find out what the government wanted. But I was told not to make any statement of assets, but to offer a compromise.

"Then in 1926 I retained George N. Murdock, and he couldn't get any figures. The offers in compromise we made are too numerous for me to remember, but we started with $50,000 and raised it up to $150,000 for myself and Mr. Lake and the Standard Beverage company. I have paid $50,000 on my personal account, $4,600 of which I paid to the collector of internal revenue yesterday, and I was told all along the government would take that much and be satisfied."

Questioned About Omissions.

Attorney Waugh then took up the various properties alleged by the government to have been omitted from Druggan's statement of assets, for which he was indicted on a charge of making false statements in an offer in compromise.

Q.—You are alleged to have concealed a three story apartment building at 7064 Greenview avenue. Did you ever own that property? A.—No. I had some trouble finding a place to live. I couldn't register at hotels under my own name. So Leo Dwyer, a friend of mine in the real estate business, offered to help me get a place. I borrowed $11,000 from Andrew Dressel of the West Central State bank and we bought the building for $65,000, Mr. Dwyer putting up the rest.

Q.—Did you ever hold title to the building? A.—No, it was turned over to Mr. Dressel, because I owed him some more money and it wasn't secured, about $13,000 in all.

His Stock Farm Venture.

Q.—Now the Sanola Stock farm at Lake Zurich, tell us about that. A.—I bought that in 1923 for my mother. I was to pay $500 a month until $90,000 was paid. I still owe about $45,000. I'll deed it to the government if they want it. [Attorney Peter Sissman had testified that the deed to this property had always been held by the family of Albert Pick, hotel supply man.]

Q.—The government claims you concealed certain race horses — Sanola, Pee Wee, Pigeon Wing, and Sun Alto. A.—I overlooked them. I didn't think they were good for anything but breeding purposes and it turned out that I was right.

Q.—One Minerva automobile? A.—I overlooked that, too, but I'll give it to the government.

Offers Other Cars, Too.

Q.—Two Cadillac automobiles? A.—I overlooked them. The government can have them.

Q.—How about those 35 registered Guernsey cattle? A.—I overlooked them, but I offered them to Mr. Green [Dwight H. Green, assistant United States attorney].

Q.—Did you get $16,000 from the Friar's inn? A.—I never got a nickel from that place. I put in $15,000 and that was what I had coming, but I didn't get it.

THE COURT—Where did you get that $15,000; was it from your beer business? A.—Yes, your honor.

THE COURT—Did you ever pay any taxes on it? A.—No.

MR. WAUGH—Have you ever been in the beer business or any illegal business since you got out of jail in 1925? A.—Not since early in 1924.

Quizzed on Apartment Deal.

Assistant United States Attorney Jacob I. Grossman questioned Druggan about his statement that he had put up $11,000, which he borrowed, on the Greenview avenue apartment. The prosecutor showed Druggan a letter from Dwyer, the real estate man, mentioning an original deposit of $29,-200.

"I never made any deposit," said Druggan.

Earlier in the session three lawyers had testified as to efforts made by Druggan to compromie his tax liability and had told of their advice against filing returns setting forth illicit income because of the unsettled state of the law.

Attorney Sissman said he wanted every advantage for his client before agreeing to a plea of guilty, so that both the civil and the criminal liability would be compromised.

Attorney Sissman's Idea.

"You wanted this court to be powerless to impose whatever penalty it saw fit after a plea of guilty had been entered?" asked Judge Wilkerson.

"That's it," said Mr. Sissman.

The court seemed to regard Mr. Sissman's interpretation of untaxable income as naïve and asked whether there ever was a decision in his favor.

"Yes, an English case," said Mr. Sissman. "In that case it was decided that the government would not be a party to receiving stolen property. Income from illegal sources is the same as stolen money; it is not income. I told Mr. Druggan not to file returns, for he would either have to make a false entry or tell about illegal income, which is incrimination."

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In the civil docket 934 cases were called, including judgments of $140,549.03. The Circuit Court of Appeals disposed of forty-seven cases, including some of the most important income tax appeals, all of which were decided in favor of the government.

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Of the penitentiary sentences, 92 years, 6 months and 13 days was meted out to sixty-five defendants for violation of the national prohibition law. In addition, 1,022 defendants drew 246 years 3 months

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In reviewing the accomplishments of his office during this year, Mr. Johnson said: "For the results achieved during the year, the United States attorney states that it is due to the fine co-operation

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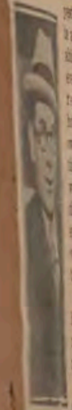

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CHICAGO ILL POST
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"Scarface" Al Capone, public enemy No. 1, leads the list with the highest individual sentence and fine—except in mail robbery cases, where a sentence of twenty-five years is mandatory. He was sentenced by Federal Judge James H. Wilkerson to serve eleven years for evasion of the income tax, the highest sentence for such a violation imposed by any court in the country, and to pay a fine of $50,000—also the highest on record for such a violation.

In the civil docket 934 cases were called, including judgments of $140,549.03. The Circuit Court of Appeals disposed of forty-seven cases, including some of the most important income tax appeals, all of which were decided in favor of the government.

Druggan Case Pending.

Of the penitentiary sentences, 92 years, 6 months and 13 days was meted out to sixty-five defendants for violation of the national prohibition law. In addition, 1,022 defendants drew 246 years, 3 months and 11 days at the county jail also for violation of the Volstead act. The fines imposed in prohibition cases aggregated $404,420.26.

During the year 694 temporary injunctions were entered, out of which 364 establishments were closed for one year.

The most important case still outstanding is that of Terry Druggan an
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JANUARY 193

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SCRANTON, PA.

DEC 29 1931

AL CAPONE WILL BE KEPT IN PRISON CELL

Chicago, Dec. 29 (INS).—Strategy was invoked today in the government fight to keep Al Capone behind prison bars. District Attorney George E. Q. Johnson announced that Capone will not be "among those present" when sixty-eight members of his gang go on trial next month for prohibition law violations.

If the ganster loses his appeal from the federal district court's sentence of eleven years for income tax evasion, he would be eligible for parole after serving less than four years. But with an indictment on a prohibition case hanging over him, parole would not be possible. Therefore Johnson intends to let it hang.

Capone with sixty-eight lieutenants and lesser fry of his organization was indicted several months ago on prohibition violation counts.

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CHICAGO ILL POST
TUESDAY, JANUARY 5, 1932.

DRUGGAN, LAKE CASE AGAIN UP IN FEDERAL COURT

Sentencing of Terry Druggan and Frankie Lake, erstwhile beer barons, on the income tax violation indictments to which they pleaded guilty some months ago was on Federal Judge Wilkerson's calendar today.

However, since both the defense, represented by William F. Waugh and Leo Klein, and the government, represented by District Attorney George E. Q. Johnson and five assistants, indicated that they wished to present evidence, it seemed unlikely that Druggan and Lake would know their fate before tomorrow.

Druggan's case was called first, and Capt. Waugh began calling witnesses "in mitigation of sentence." The defense object was to prove that Druggan had attempted to effect a compromise of his tax liability with the internal revenue department.

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yesterday that he is an honest, law abiding citizen even if he can't register at a hotel under his own name and that he always wanted to pay the government every cent he owed in income taxes.

The going was hard for the former beer magnate when Judge Wilkerson was obliged to adjourn court because of the illness of his father, who is in St. Paul, Minn. Judge Wilkerson left last night for St. Paul after talking to physicians.

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N. Y. City Times
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DEC 28 1931

U. S. OVERLOOKS NO BETS ON AL

New Way to Keep Him in Jail Is Discovered

CHICAGO, Dec. 28.—(AP)—Scarface Alphonse Capone will not be tried immediately on charges of liquor law violations. This decision was a bit of government strategy to lengthen the gangster's prison term.

Capone and 67 of his henchmen are under indictments charging 1,000 violations of the dry laws United States Attorney George E. Q. Johnson said the henchmen would be tried in January, but that Capone must wait.

Capone is in jail, pending outcome of his appeal from a sentence of 11 years imprisonment for evading income tax payments.

Johnson said if Capone loses the appeal he will not be eligible for parole as long as the liquor law charges remain against him.

"We are inclined to let them stand," he said.

The gangster must serve 11 years, provided he loses the appeal, on the first charge with time off for good behavior. The attorney said that trial on the other charges now "might leave the way open for his parole after he served one third of the income tax sentence."

ST. LOUIS MO. TIMES
DEC. 28, 1931
J4

U. S. Plans Strategy to Hold Al Capone

CHICAGO, Dec. 28.—Strategy was invoked today in the fight to keep Al Capone in prison. District Attorney George E. Q. Johnson announced Capone will not be "among those present" when 68 members of his gang go to trial next month for prohibition law violations. If the gangster loses his appeal from 11 years' sentence for income tax evasion, he would be eligible for parole in four years. But with an indictment hanging over him, parole would not be possible. Therefore Johnson intends to let it hang.

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Praises Work of Staff.

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STRATEGY AGAINST CAPONE.

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"If he (Capone) loses the appeal," Mr. Johnson said, "he will not be eligible for parole as long as the liquor indictment stands on the records against him, and we're inclined to let it stand.

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ST. LOUIS MO. POST-DISPATCH
DEC. 28, 1931 J5

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CHICAGO ILL POST
SATURDAY, JANUARY 2, 1932

JOHNSON REPORTS 1,289 DEFENDANTS GIVEN 368 YEARS

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In the civil docket 934 cases were called, including judgments of $140,549.03. The Circuit Court of Appeals disposed of forty-seven cases, including some of the most important income tax appeals, all of which were decided in favor of the government.

Druggan Case Pending.

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Jan. 4, on a plea of guilty of violation of the income tax law.

Praises Work of Staff.

In reviewing the accomplishments of his office during this year, Mr. Johnson said: "For the results achieved during the year, the United States attorney states that it is due to the fine co-operation

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WEDNESDAY, JANUARY 6, 1932

DRUGGIN TRIES TO SHOW JUDGE HE MEANS WELL

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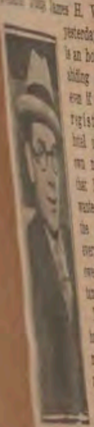

The going was hard for the former beer magnate when Judge Wilkerson was obliged to adjourn

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be sought in six of the nation's largest cities. Among these are New York, Philadelphia, Pittsburgh and San Francisco. The drive is being directed from Washington.

INQUIRY FINISHED.

Authorities here are awaiting final decision from Washington as to which cases warrant criminal action and which may be settled in civil proceedings by payment of back taxes and penalties. Investigation of several Chicago cases is complete.

Twelve police captains whose in
comes have been questioned ar
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Cases against them have
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DRIVE IS NATION-WIDE.

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N. Y. City Times
DEC 28 1931

STRATEGY AGAINST CAPONE.

Government Would Prolong Term by Not Trying Him on Dry Law.

CHICAGO, Dec. 27 (AP).—Government strategy to lengthen Al Capone's prison term is revealed with the announcement that the gang leader will not be tried immediately on liquor violation charges.

Capone and sixty-seven henchmen were indicted on charges involving 1,000 overt acts against the dry laws. Federal Attorney George E. Q. Johnson said the subordinates will be tried next month without their leader, who is in the county jail awaiting the outcome of his appeal from a sentence of eleven years for evading income taxes.

"If he (Capone) loses the appeal," Mr. Johnson said, "he will not be eligible for parole as long as the liquor indictment stands on the records against him, and we're inclined to let it stand.

"As the income tax stands, he must serve eleven years with time off for good behavior. Placing him on trial on liquor charges might leave way open for his parole had served one-third of th tax sentence."

U. S. HAS WAY TO LENGTHEN CAPONE'S TERM IN PRISON

Charge Against Can't Be Paroled in Tax Case.

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CHICAGO ILL AMERICAN
DECEMBER 31, 1931

U. S. DISPOSES OF 1,809 CASES DURING 1931

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